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Algeria... 5.50 Fr. Israel... 15.00 NIS. Norway... 5.50 NOK.
Australia... 17.50 A\$ Italy... 1000 Lire. Oman... 0.700 Rial.
Belgium... 6.600 Bfr. Jordan... 400 Fds. Portugal... 80 Esc.
Canada... C\$1.10 Kuwait... 1.000 R. Qatar... 3.60 Rial.
Cyprus... 400 Cyp. Lebanon... 2.000 L.L. Saudi Arabia... 2.000 R.
Denmark... 5.60 Dkr. Luxembourg... 400 Ffr. Switzerland... 1.50 Sfr.
Egypt... 1.000 E.G.P. Monaco... 100 Ffr. Taiwan... 2.000 N.T.
Finland... 5.20 Fmk. Netherlands... 35 Gld. Turkey... 1.200 Lira.
France... 5.00 Ffr. Norway... 5.50 NOK. U.A.E. 3.00 Dirh.
Germany... 2.00 DM. Oman... 0.700 Rial. U.S. \$1.00. Y.R. 1.000 R.
Greece... 350 Dr. Saudi Arabia... 2.000 R. U.S. \$1.00. Y.R. 1.000 R.
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ESTABLISHED 1887

U.S. Arms Buildup Worries Europeans

But Trans-Atlantic Survey Indicates No Grave Clashes at Grass-Roots Level

By Joseph Fitchett

International Herald Tribune

PARIS — West Europeans, while generally more alarmed than Americans about the mounting power of the Soviet Union, also feel strong concern about the U.S. military buildup and anti-Soviet policies.

At the same time, the recent animosity between U.S. and European leaders has not permeated Western public opinion — except perhaps in France and Spain — enough to open a trans-Atlantic cleavage at the grass-roots level.

These are among the principal findings of a trans-Atlantic poll carried out simultaneously in recent weeks in the United States and seven West European countries — Britain, France, Italy, the Netherlands, Norway, Spain and West Germany.

The survey was sponsored by the International Herald Tribune and the Atlantic Institute, a private, independent research center in Paris. The Louis Harris organization did the interviewing.

While people expressed concern over such international political issues as the threat of war, the biggest worries on both sides of the Atlantic were unemployment, crime and inflation. Unemployment was at the top of everyone's list, usually by a large margin.

Inadequate defense emerged as the least important source of concern in every country. Nonetheless, very small minorities felt too much was being spent on defense.

The poll also indicated that the Reagan administration has not won active public commitment — not in the United States and much less in Europe — for its foreign policy initiatives.

Some of the apparently contradictory views that emerged in the poll — on defense, for example, seemed to reflect a basic satisfaction with the status quo on security issues. This was a fairly widespread view in Europe that was challenged mainly in the United States and among better educated groups.

Among other significant results, the poll found the following:

• Americans strongly criticize Europeans for what they say is failure to shoulder a bigger share of the allied defense burden. Two-thirds of the Americans said the United States spends too much for the alliance and that the Europeans spend too little.

But U.S.-European cooperation was still ranked as the most important single factor in guaranteeing Western interests by more than one-third of the Americans. This was the largest percentage of approval in the United States for any single security policy.

• There were two unmistakable storm warnings on public support for trans-Atlantic cooperation. One was the disagreement over the fair division of allied defense spending. The second was that more affluent and better educated Europeans and Americans, who have been instrumental in maintaining a consensus in their countries behind the Atlantic alliance, now are the social category that is the most critical of other countries.

• A major surprise was the low level of severe anti-American judgments despite the trans-Atlantic frictions that have been widely aired in recent months. France was an exception: nearly half of the French people interviewed singled out U.S. economic policy as the main cause of international tension.

• It is misleading to speak of a "European" public opinion as opposed to a U.S. view on most issues. Divergences are often as great among European countries as between the United States and Western Europe.

• Europeans, on the whole, give the impression of being more satisfied with the policies of their countries than Americans are with European policies or with their own. Americans, for example, were more strongly critical of U.S. foreign policy as "inconsistent." The pattern suggests that the quest by Americans for new policy solutions may even contribute to trans-Atlantic strains.

• Nuclear weapons were a concern mainly of the better educated and professional classes, except in West Germany, where the worry was pervasive. The highest alarm over nuclear weapons emerged in the Netherlands and Norway, where at least 40 percent cited the nuclear issue, making it the leading international issue there, again led by the better educated and professional classes.

• Improved relations with the Third World were cited as important for Western security by about one-quarter of the people in all eight countries.

The survey found that Europeans and Americans, while generally following the main lines of the policies of their governments, are considerably less antagonistic toward each other than the statements of most officials suggest.

U.S.-European cooperation was seen as the most important security factor by Americans, West Germans and Britons. Asked about the U.S. role in Europe, the word "essential" was the adjective most often used in West Germany (46 percent) and by significantly smaller pluralities in Norway, the Netherlands, Italy and Britain.

Negative adjectives were used most often only in France, Spain and the United States.

While U.S. opinion is more critical of Europe than Europeans are of themselves, less than 20 percent of the Americans share the view of some Reagan administration officials about "franklandization" of Europe.

U.S. opinion does not appear to be strongly mobilized behind the Reagan administration foreign policy themes. For example, Americans who attach importance to dialogue with the Soviet Union and greater Western cooperation outnumber those who believe in greater emphasis on the military.

Arms control is believed to be at least as important for security as military balance with the Soviet Union in all countries, including the United States. "Productive arms control" was especially important to the Norwegians and Dutch, followed by the French and West Germans.

In the United States, military balance with the Soviet Union, a Reagan administration priority, was ranked in the poll as a minor element in security. Détente elicited a mixed response, with only West Germans, Norwegians and Americans showing significant interest.

A salient conclusion was that Western opinion consistently ranked Soviet activities as the main threat to international stability. Moscow's military buildup was denounced as the leading cause of tension by respondents in almost every country.

Alarm over Soviet force was particularly strong in West Germany (55 percent) and Norway (57 percent), the two countries in the poll.

Walesa Rejects Authorities' Offer Of Freedom in Return for Support

By Dan Fisher

Los Angeles Times Service

GDANSK, Poland — A top Polish official visited Lech Walesa, the interned Solidarity leader, shortly before the union was formally dissolved, offering him freedom and an official position if he would publicly endorse the Polish regime, according to Mr. Walesa's wife.

"Naturally he would not agree to something like that, which is why he's still locked up," Danuta Walesa said in an interview Saturday.

She returned to Gdansk Friday after a three-and-a-half-day visit with her husband in southeastern Poland.

She said she had been brutally manhandled and strip-searched by police after leaving her husband and that two pre-school daughters who accompanied her were also searched.

Mrs. Walesa said Stanislaw Ciosek, the trade union minister, had visited her husband, before Oct. 8, when parliament voted to ban Solidarity and all other unions founded before martial law was imposed Dec. 13.

Mr. Ciosek offered Mr. Walesa freedom and an official position if he would join the Patriotic Movement for National Rebirth and endorse the new trade union law, she said.

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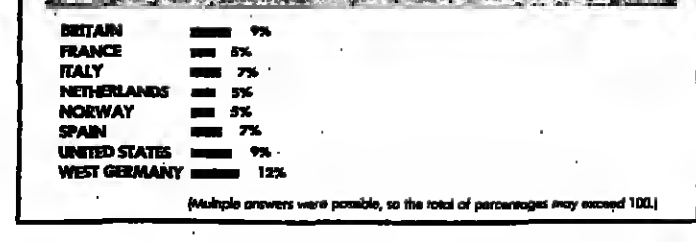
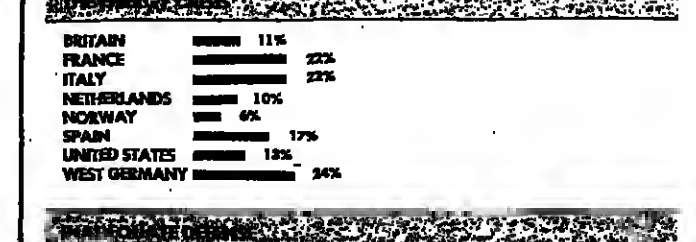
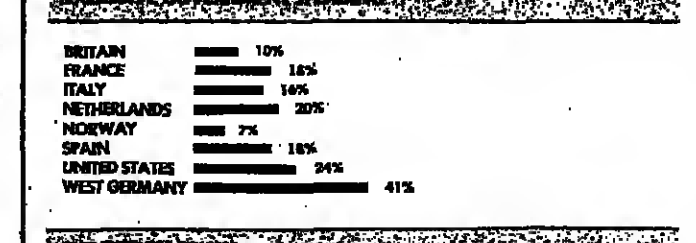
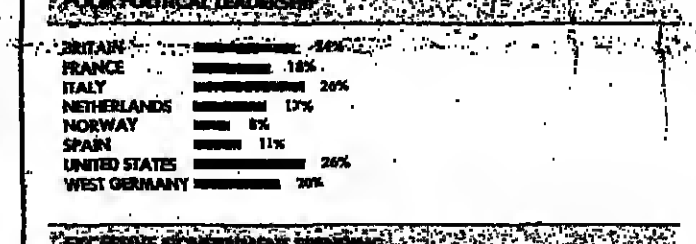
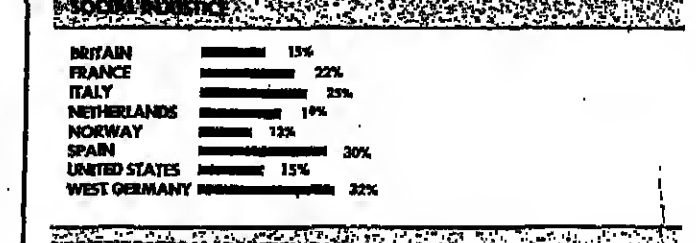
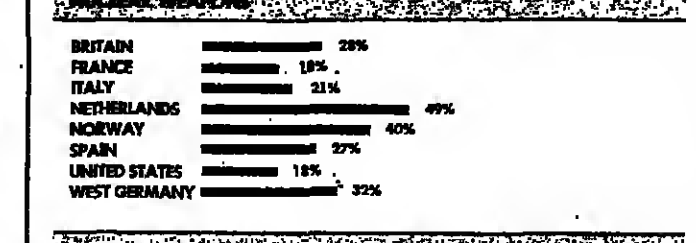
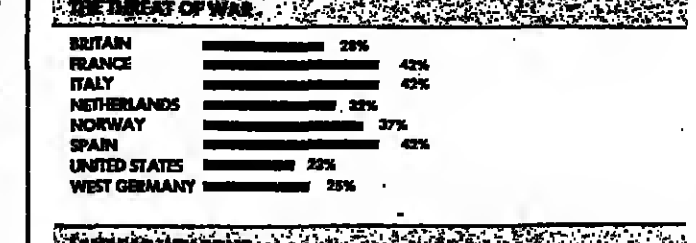
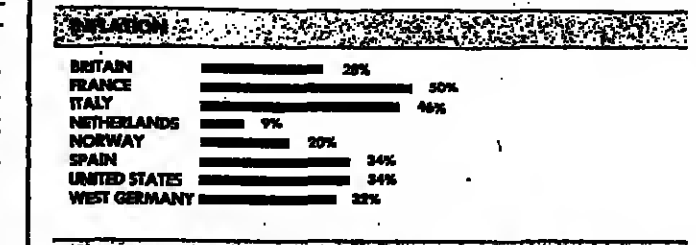
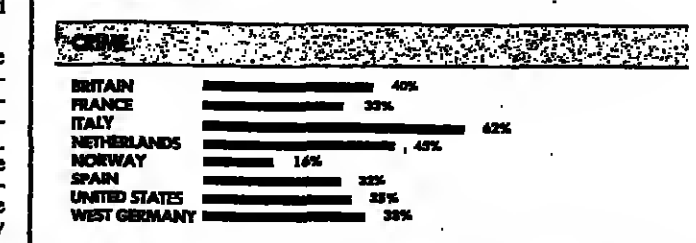
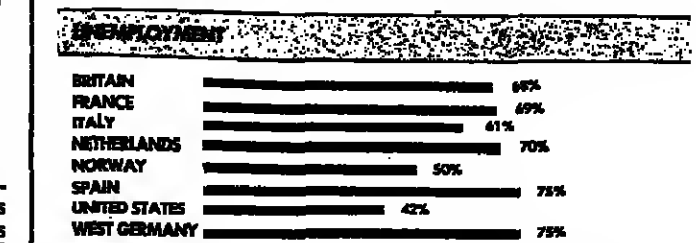
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QUESTION: Which of the following are your greatest concerns for yourself and your country?

THE INTERNATIONAL HERALD TRIBUNE-ATLANTIC INSTITUTE POLL



(Multiple answers were possible, so the total of percentages may exceed 100.)

Hassan Signals Peace Effort

Seeks Concessions From Israel on PLO, Occupied Areas

Solidarity Leaders Call For Expanded Protests, General Strike in '83

By Michael Dobbs
Washington Post Service

WARSAW — Underground leaders of the banned Solidarity trade union have announced that they will attempt to stage a program of mounting protests, leading to a general strike next spring.

In a statement made available Saturday to Western correspondents here, Solidarity's underground coordinating commission called for extending a national four-hour strike planned for next month to eight hours and following it with demonstrations.

The group also called for a week of demonstrations beginning Dec. 13, the first anniversary of the imposition of martial law.

"The statement said the commission decided to escalate the protests because the military regime had proved 'deaf to the nation's voice,'" it said that compromise

and national agreement had become impossible as a result of what it termed "the illegal decision" to disband all existing trade unions and the repression of protest strikes and demonstrations that followed.

The strike called for Nov. 10, the second anniversary of the formal registration of Solidarity by the Polish supreme court, will be a key test of the underground group's support and organizational ability.

If significant protests take place next month and the government continues its unbending attitude toward Solidarity, Poland could face several months of labor unrest and social tension. The authorities have warned that further demonstrations could delay plans to lift martial law by the end of the year.

The decision to call for a general strike in early 1983 was described by Solidarity's underground commission as "a last resort" after the failure of 10 months of protests to soften the government's line.

Accusing the government of ignoring all pleas for reconciliation, including those put forward by the Roman Catholic Church, the commission said: "The regime wants to rule uncontrolled by anybody. By arbitrary, incompetent decisions, it is ruining the economy and pushing Poland toward disaster."

The statement was signed by five members of the commission: Zbigniew Bujak of Warsaw, Piotr Bednorz of Wrocław, Bogdan Lis of Gdansk, Władysław Haredek of Krakow and Eugeniusz Szumigaj, representing the union's national presidium.

It said that, following a strike by the first shift in all factories on Nov. 10, workers should take part in protest demonstrations. It also called for "suitable commemorations" to mark Nov. 11, the anniversary of Poland regaining its independence after World War I.

Soviet Envoy Is Defector

(Continued from Page 1)

in the interim or what he had been doing.

Mr. Kuzichkin is in his mid-30s and was listed as a vice consul in the Soviet Embassy in Iran.

The Soviet Embassy in London, which declined to comment on the reports, asked for consular access to him, according to British officials, and the request was reportedly passed to Mr. Kuzichkin. There has been no indication that he has agreed.

The wording used by a Home Office spokesman in announcing that Mr. Kuzichkin has "permission to stay" suggested that he has not yet been granted political asylum, possibly because he has not asked for it. There have been some cases of requests for political asylum being turned down.

Official sources said Mr. Kuzichkin's main role in Tehran was contact with the Communist Tudeh Party. Despite the strongly religious nature of the government of Ayatollah Ruhollah Khomeini, the Tudeh Party operates openly and has wide support in Iran.

With Iran's strategic importance in the Middle East, Western governments have been watching the progress of the Tudeh Party closely since the 1979 revolution.

Mr. Kuzichkin's defection could help the West by hurting relations between Iran and the Soviet Union. Relations between those two countries have been improving lately.

In Camps, the Palestinians Still Fear Militias

By Robert J. McCann
Washington Post Service

SIDON, Lebanon — Three weeks ago Israeli soldiers with loudspeakers drove through the Ain El-Hwe refugee camp here before dawn and ordered all Palestinian males over the age of 12 to assemble at the hospital.

On a muddy street amid the remains of homes bombed or blown up by Israeli forces, a masked man — thought to be an informer from within the camp — studied the faces and selected about a hundred out of the several hundred Palestinians present.

About half of them were bled off to the Ansur detention camp 12 miles (19 kilometers) to the south, apparently as suspects in the shooting of an Israeli agent, according to United Nations officials and camp residents.

In Israeli-occupied southern Lebanon, the Palestinians are a subordinated and frightened people, and neither Israel nor the Lebanese government wants to encourage their presence.

The Palestinians fear that militias promoted by the Israelis in the area could stage a repeat of last month's massacre in two Beirut camps, and some sources think that the Israelis are deliberately building up that threat to ensure the need for Israel to remain as a peacekeeper.

The guerrillas of the Palestine Liberation Organization who once dominated broad stretches of roads and countryside have been killed, imprisoned or evacuated since Israel's invasion June 6.

Local Christian residents say they are happy that the guerrillas are gone, and PLO

rocket launchers and artillery no longer threaten northern Israeli settlements. Meanwhile, the Palestinian population has lost the protection that the guerrillas once provided.

"If the Katabeh come, they will kill us all," an elderly man said of the Christian militia-men.

Israeli officials have pledged since the Beirut massacre to keep hostile gunmen out of the camp, and residents confirm that they have not recently seen any Christian militia-men.

In addition, according to UN reports, the Israelis have been arming new local vigilante groups in the south, particularly among the Maronite Shiite population. These gangs, together with the established militias of Saad Haddad, a Lebanese Army major, and the Phalangists, potentially threaten the existence of the Palestinian population.

Approximately 60,000 Palestinians are living in the south, concentrated in five camps around Sidon and Tyre. They find shelter in their cinderblock shacks, many now partially destroyed, or as squatters in schools, shops or unfinished buildings. Many will spend the chilly, rainy winter in tents that UN relief workers are to put up, after initial opposition from both Israel and Lebanon.

UN relief officials say the Lebanese have not granted the right to rebuild homes, apparently because of fears that the camps would become again a target for an Israeli invasion. The Christian Phalangist newspaper Al Anfal, however, quoted government sources as denying that the Lebanese authorities had opposed such rebuilding.

The Lebanese government reportedly is considering a plan to send most Palestinians

in Lebanon to other Arab countries, as it shipped away the PLO guerrillas from Beirut under pressure of Israeli guns.

Prime Minister Shafiq Wazzan is said to plan a visit soon to Syria and Gulf countries where such a proposal could be discussed. Given the difficulties in convincing the Arab countries to accept fewer than 15,000 PLO guerrillas, however, it seems unlikely that there will be willingness to take in the approximately 500,000 Palestinians living in Lebanon.

The Palestinians living in the south are considered the least likely ever to be evacuated. Most are described as having legal residence papers and as having come to Lebanon after the 1948 Arab-Israeli war.

Despite the ban on constructing new homes, some Palestinians are repairing old ones damaged by Israeli shells in the early days of the invasion. In addition to the shelling, damage, UN relief officials say, the Israelis also damaged and bulldozed homes, apparently to encourage the Palestinians to flee.

For the Palestinians in the camps, safety is a major worry. The presence of the Shiite and Christian militias has expanded, and both groups are equally feared.

Israeli officials say they hope the Lebanese Army will eventually guarantee security in southern Lebanon both for the Palestinians and for Israel's northern settlements. The army has been largely ineffectual, however, since it split along Moslem-Christian lines in the 1975-1976 civil war. It is stretching its resources now in policing Beirut and its immediate environs.

Israel Denies Pullback Plan For Lebanon

By Edward Walsh
Washington Post Service

JERUSALEM — The Israeli government denied knowledge Sunday of a reported plan whereby Israeli troops would pull back from their present positions in Lebanon.

Reports of such a plan were published in Beirut newspapers over the weekend. The newspapers said that Lebanon wanted a partial Israeli withdrawal from positions along the Beirut-Damascus highway accomplished by Nov. 22.

An Israeli pullback, the papers said, would have to precede any agreement on establishing a security zone in southern Lebanon. A 25- to 40-mile buffer, to protect Israel's northern border communities, is one of Israel's main demands.

Officials here said that if President Amin Gemayel of Lebanon made such proposals in his talks with President Ronald Reagan and other U.S. officials last week, the suggestions had not been relayed to Israel.

The officials said Israel had no information that Palestine Liberation Organization forces were prepared to leave Lebanon now as part of any negotiated arrangement.

They did not rule out the possibility of a partial Israeli pullback in connection with a withdrawal agreement, but said they expected any agreement to follow the pattern set in Beirut. The PLO forces left the Lebanese capital while Israeli troops remained in place.

"We don't know anything about it," a Foreign Ministry spokesman said. "We don't make arrangements or deals with the PLO."

The official said Israel continues to insist that the Palestinian forces be the first to leave Lebanon, after which there would be a simultaneous withdrawal of Israeli and Syrian troops.

Foreign Minister Yitzhak Shamir of Israel, who returned home Friday after a three-week trip to the United States, reported to the cabinet Sunday on his talks in Washington.

Syria Strains to Equal Israeli Arms

By James F. Clarity
New York Times Service

DAMASCUS — For weeks, military equipment provided by the Soviet Union has been arriving at the Syrian port of Tartus northwest of here to replace what Syria lost in its war with Israel in Lebanon.

But intelligence and military officials here say there is virtually no evidence that the Russians are sending planes or missile systems able to fight off the U.S.-made weapons used by the Israelis.

Since being unloaded at Tartus, hundreds of tanks, armored personnel carriers and trucks have been parked at roadside depots near the port.

In recent days, intelligence officials have seen convoys of these vehicles, among them 30 T-62 tanks, heading south from Homs toward the Bekaa valley, on the western side of the Lebanon-Syria border where Syrian and Israeli forces face each other along a cease-fire line.

The officials, from both Western and non-Western governments, also say that new Soviet planes are coming in, being unloaded in crates at Tartus and probably the

port of Latakia, farther north. The planes are moved to the Syrian military air base near Palmyra, 125 miles (200 kilometers) northeast of Damascus. It is not clear whether they are MiG-25s, one of the better Soviet planes.

According to the officials, Syria needs not only the best Soviet planes but also improved electronic countermeasure equipment. Such equipment and the skills to operate it are needed to confuse the aim of attacking planes. This was what Syria failed to do during fighting in June.

The Soviet view, as it is reported here, is that if Syria wants the best Soviet equipment it should permit what would amount to Soviet bases in Syria — protective structures for planes and missiles and Soviet advisers and technicians to supervise the installation. On this, Syria has reportedly demurred.

This analysis cannot be officially confirmed, but recently the Syrian information minister, Ahmad Isikandar Ahmad, conceded in an interview that there was an imbalance between Syrian and Israeli air attack and defense abilities.

"We fought with Soviet weapons and trust these weapons and must

ourselves as well," the minister said. "If there is a disparity between the quality of Israeli weapons and ours, this can be redressed."

The minister was told that there were reports that Soviet officials had said that Syrians did "not know how to use their weapons."

"We as well as the Israelis learned a lot from this war," the minister replied. "Although we do not have the weapons belonging to those of Israel, these will be secured in the near future."

Israel says its forces destroyed 80 Soviet-made Syrian jet fighters and 30 surface-to-air missile batteries in June. The Syrians concede the loss of 60 planes and fewer than 30 missiles.

The intelligence and military officials here say that although Syria appears able to defend itself adequately against any Israeli attack on the ground, there is still no adequate air-defense system to protect either Damascus or the Syrian Army in the Bekaa valley.

They point out that the Israeli Air Force, with its U.S.-made F-16 fighter-bombers, its superior technology and tactical ability, can destroy Syria's Soviet-supplied air defense equipment, including planes, radar and missiles.

The total of Syrian and PLO troops in Lebanon is put at nearly 50,000. This is said to include about half the lethal striking power, but not total manpower, of the Syrian Army.

On the other side of the cease-fire line, the officials say, the Israelis have gradually reduced their forces to fewer than 30,000, perhaps even less. This is compared with the 100,000 Israelis estimated to have been in Lebanon at the height of the invasion and war in June.

While government leaders and diplomats here and elsewhere talk about the mutual, simultaneous withdrawal of the two armies from Lebanon by the end of the year, military and intelligence officials here are more skeptical.

The rains are coming, with mud in the Bekaa that tends to keep armor and infantry mired down in peace for the winter and early spring.



THAT'S THE BALL GAME — A U.S. marine shows his dismay as the U.S. team loses, 2-0, to the Italian team in a Beirut soccer match. The soccer game was played by members of the multinational peacekeeping force in Lebanon.

U.S. Jews of B'nai B'rith Agonize Over Israeli Policy, World Reaction

By Stanley Meisler
Los Angeles Times Service

TORONTO — B'nai B'rith, the largest Jewish organization in the United States, has ended a convention here after a week of tense soul-searching by American Jews about their attitude toward Israeli policies in the Middle East.

The two words I've heard most often in the hotel have been pain and anguish. Warren Eisenberg, director of B'nai B'rith's international council in Washington, said Friday, "There is a sense of discomfort and malaise, and people don't know where to turn."

In the end, the 1,400 delegates tried hard to display a closing of the ranks with the Israeli government and passed a final resolution that seemed to water down a previous stand of the organization that defied Israel by condemning President Ronald Reagan for his Middle East peace proposals.

But the resolution, worked out behind closed doors in almost 12 hours of discussion and debate, was ambiguous enough to appeal to everyone. It even followed the practice of Prime Minister Menachem Begin of Israel by referring to the Israeli-occupied Arab territories on the West Bank as Judea and Samaria in one paragraph and then following the practice of his opponents by referring to the area as the West Bank in another paragraph.

But the mood of the convention was more significant than its resolutions.

It was clear from the debates that delegates, while they were concerned about Israel's policies, worried just as much whether American Jewish criticism of Mr. Begin endangers Israel and contributes to a mounting anti-Semitism throughout the world. A good deal of bitterness toward the press

infused those concerns, and speakers after speaker insisted that television and newspapers have exaggerated the violence of the Israeli invasion of Lebanon and failed to put it in context.

Almost every speaker, whether for or against Mr. Begin's policies, prefaced his remarks with a ringing statement of support for the existence of the state of Israel.

B'nai B'rith, although founded and based in the United States, describes itself as an international service organization with more than 500,000 members in 45 countries. Americans, however, make up an overwhelming number of the membership, and most of the organization's charitable and educational activities take place in the United States.

In September, the officials of B'nai B'rith surprised many outsiders by endorsing Mr. Reagan for his Middle East peace plan, calling it "worthy of consideration." Mr. Reagan had proposed negotiations leading to self-government by the Palestinians of the West Bank and the Gaza Strip "in association with Jordan." Mr. Begin, who insists that these areas are historical parts of Israel, had rejected the plan immediately.

Later, after the massacre of Palestinian civilians by Christian Phalangist militiamen at two refugee camps in West Beirut, B'nai B'rith was one of the first Jewish organizations to demand an independent judicial inquiry into Israel's role in the affair.

The ambivalence was evidently sensed by Elihu Ben-Eliassir, the chairman of the Israeli Knesset's committee on foreign affairs and a close associate of Mr. Begin. Speaking here on behalf of the prime minister, Mr. Ben-Eliassir delivered an address that was partly defensive and partly truculent.

He accused Jews who criticize Israel of "self-flagellation" and linked recent outbreaks of anti-Semitism, such as the recent bombing of a synagogue in Rome, to the criticism of Israel's invasion of Lebanon and to what he called the unjustified blame of Israel for the massacre in West Beirut.

He implied that Jewish critics of Israel are trying to escape anti-Semitism in their own countries by joining an anti-Israel bandwagon. "A Jew can say, 'It's not me. It's them in Israel,'" Mr. Ben-Eliassir said, "but no one would believe him. Every Jew is responsible for each other."

Although Israel had far more defenders than critics among the delegates, at least in public, some of the attacks on it were unusually harsh for a Jewish forum. One delegate stood up to describe Israel as "a military power which can self-destruct."

The case for unity was put to the delegates on another day by Wolf Blitzer, the Washington correspondent for the Jerusalem Post. "Whenever a political interest group appears to be divided, obviously its political clout goes down in Washington," Mr. Blitzer said. For that reason, he said, "serious consequences in the dissent" by American Jews from Mr. Begin's policies, but he added that it was "probably impossible to stifle this dissent."

On the other hand, Mr. Eisenberg, who as director of B'nai B'rith's international council was a key official in drafting the original statement endorsing Mr. Reagan's peace plan, offered a different version of how Israel fits into the American political scene. "As Israel gets stronger, sympathy for it diminishes," he said. "There is not much sympathy for someone who can be depicted as the neighborhood bully."

Palestinian Gets Life Term in Austria

VIENNA — A Palestinian has been sentenced to life imprisonment for masterminding the murder of a Vienna city councillor and an attack on a Vienna synagogue.

Bahji Mohammed Younis, 29, a Salzburg University student, was sentenced Friday in the August 1981 synagogue attack in which two persons were killed and nearly 30 wounded and in the murder of Vienna's transport councillor, Heinz Nittel, on May 1, 1981. The gun used in Mr. Nittel's murder was found in Mr. Younis's apartment.

Hesham Mohammed Rajeb, 21, one of those convicted of having carried out the attack on the synagogue, was alleged to have told police that Mr. Younis gave him the gun and the weapons for the synagogue attack, but in court he retracted his statement.

SPD-Greens Talks Fail in Hamburg

BONN — The first major attempt in West Germany at political cooperation between the Social Democratic Party and the leftist Greens failed Sunday when the two parties, unable to work out an agreement in Hamburg, voted to dissolve the city-state parliament there and hold new elections Dec. 19.

Klaus von Dohnanyi, the Social Democratic mayor who had sought an arrangement with the Greens to keep his minority government in power, announced two weeks ago that he had given up the effort in frustration. But the opposition Christian Democrats threatened to block a motion for new elections unless Mr. von Dohnanyi's government resigned first, and the Greens seemed to be leaving the door open for further talks.

On Sunday, though, the Greens reluctantly sided with the Social Democrats in a motion to disband parliament, declaring that new elections had become unavoidable. The collapse of the Hamburg experiment appeared to be a setback for Willy Brandt, the national Social Democratic Party chairman, who had been seeking to move his party closer to the Greens.

El Al Workers Agree to Negotiate

TEL AVIV — The Israeli cabinet broke off discussion Sunday on the liquidation of El Al after some airline employees agreed to negotiate on the basis of management's demands, Israel Radio said.

The radio reported that seven of El Al's eight works committees were prepared to sign a statement of principles, but the pilots' union was still holding out. The El Al dispute reached a showdown after the company's 4,900 workers refused to accept the management's new policy that would entail layoffs and restrictions on the works committees.

When no compromise was reached, the cabinet began discussing liquidating the airline or selling it to private buyers. El Al has had 69 strikes in the past decade, and the latest, by stewards last month, triggered the government move toward closing the company.

Paper Reports Seychelles Coup Plot

LONDON — Newspaper reporters and Scotland Yard detectives uncovered a plot to assassinate a Seychelles official in London and overthrow President Albert René's Socialist government, The Sunday Times reported. There was no immediate confirmation from Scotland Yard.

The plot was conceived in London by Seychelles dissidents and South African mercenaries and was organized by Gerard Hoare, who also was behind a failed coup attempt last November in the Seychelles, the newspaper said.

Times reporters said they discovered the plot after being told of clandestine meetings at the Carlton Tower Hotel in Knightsbridge. Two men killed on a remote Seychelles beach Wednesday, apparently while making a bomb, were part of the force that was to prepare for the coup, The Times said.

Princess Anne Visits South Africa

JOHANNESBURG — Princess Anne flew to South Africa and spent 90 minutes at Johannesburg airport on Sunday talking with local officials of the Save the Children Fund, the first time since 1947 that a member of the British royal family has visited the nation.

Anne, 32, the daughter of Queen Elizabeth II, made no public statements during the controversial visit, plans for which had been attacked by opponents of South Africa's system of racial segregation.

Princess Anne, on an eight-nation tour of southern Africa on behalf of the Fund, flew to Johannesburg from London on a scheduled British Airways flight. She later flew to the tiny African kingdom of Swaziland for meetings there.

Compiled by Our Staff From Dispatches

Iran Debate Reported On Gulf War Strategy

By Drew Middleton
New York Times Service

NEW YORK — U.S. and Israeli military sources said that if Iran opens another offensive against Iraq, its direction will probably be decided by the outcome of a debate between leaders of Iran's Revolutionary Guards and the regular army.

Differences between the two groups were said to have flared into heated debate after Iraq repulsed an Iranian offensive on Oct. 10 in the hills around the Iraqi border town of Mandali, 80 miles (128 kilometers) northeast of Baghdad.

On the other side of the cease-fire line, the officials say, the Israelis have gradually reduced their forces to fewer than 30,000, perhaps even less. This is compared with the 100,000 Israelis estimated to have been in Lebanon at the height of the invasion and war in June.

While government leaders and diplomats here and elsewhere talk about the mutual, simultaneous withdrawal of the two armies from Lebanon by the end of the year, military and intelligence officials here are more skeptical.

The rains are coming, with mud in the Bekaa that tends to keep armor and infantry mired down in peace for the winter and early spring.

He accused Jews who criticize Israel of "self-flagellation" and linked recent outbreaks of anti-Semitism, such as the recent bombing of a synagogue in Rome, to the criticism of Israel's invasion of Lebanon and to what he called the unjustified blame of Israel for the massacre in West Beirut.

He implied that Jewish critics of Israel are trying to escape anti-Semitism in their own countries by joining an anti-Israel bandwagon. "A Jew can say, 'It's not me. It's them in Israel,'" Mr. Ben-Eliassir said, "but no one would believe him. Every Jew is responsible for each other."

Although Israel had far more defenders than critics among the delegates, at least in public, some of the attacks on it were unusually harsh for a Jewish forum. One delegate stood up to describe Israel as "a military power which can self-destruct."

The case for unity was put to the delegates on another day by Wolf Blitzer, the Washington correspondent for the Jerusalem Post. "Whenever a political interest group appears to be divided, obviously its political clout goes down in Washington," Mr. Blitzer said. For that reason, he said, "serious consequences in the dissent" by American Jews from Mr. Begin's policies, but he added that it was "probably impossible to stifle this dissent."

On the other hand, Mr. Eisenberg, who as director of B'nai B'rith's international council was a key official in drafting the original statement endorsing Mr. Reagan's peace plan, offered a different version of how Israel fits into the American political scene. "As Israel gets stronger, sympathy for it diminishes," he said. "There is not much sympathy for someone who can be depicted as the neighborhood bully."

The ambivalence was evidently sensed by Elihu Ben-Eliassir, the chairman of the Israeli Knesset's committee on foreign affairs and a close associate of Mr. Begin. Speaking here on behalf of the prime minister, Mr. Ben-Eliassir delivered an address that was partly defensive and partly truculent.

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Reagan, O'Neill Trade Accusations on Jobs, Outlook for Economy

By Steven R. Weisman

WASHINGTON — President Ronald Reagan and the speaker of the House of Representatives, Thomas P. O'Neill Jr., have exchanged accusations on the economy. Mr. Reagan charged the Democrats with offering "fairy tales" and Mr. O'Neill said the administration had deliberately thrown people out of work.

In five-minute radio addresses 10 days before Election Day, the president and the speaker each sounded on Saturday his principal themes of a fall campaign that is viewed by both sides as a referendum on the Reagan administration's economic policies.

Mr. Reagan used his weekly air time to denounce what he said were "six big myths" created by the Democrats. Specifically, he denied charges that increases in military spending and the three-year tax cut had contributed to the U.S. deficit and that his administration had cut social programs.

He also said that most unemployed Americans were able to find jobs within two months. "Bad as current unemployment is, in most individual cases it's a temporary problem," Mr. Reagan said.

Mr. O'Neill, a Massachusetts Democrat, charged that Mr. Reagan's "bold and confident promises of 1981 have become the tragedy and the excuses of 1982."

He said the administration had thrown "millions of people out of work as part of a deliberate plan to slow down inflation."

While Mr. Reagan was appealing for patience, Mr. O'Neill sounded the principal theme of the Democrats this fall by saying that the administration's policies were "unfair."

"I have found that the American people are willing to make tremendous sacrifices for their country, on one condition," Mr. O'Neill said. "They want the sacrifices to be shared equally by everyone."

He said the administration's budget reductions, tax cuts and anti-inflation policies have benefited the wealthy and hurt the poor.

Mr. O'Neill said the current recession was "not only stalled" but that it was "starting to slide backwards." Mr. Reagan said, however, that "we aren't out of the woods yet, but we're getting there."

The president cited the recent decline in inflation and interest rates, as well as the "surge of investor confidence" in the stock and bond markets. He also said that "real wages," retail sales, housing starts and auto sales were all "heading up again."

But the bulk of Mr. Reagan's speech was defensive. In many respects it seemed to contradict what many of his aides acknowledge publicly and privately.

For example, Mr. Reagan said that "myth No. 1" was that "increases in defense spending in recent years are one of the main causes of projected federal deficits."

"The fact is that the defense share of the federal budget and the gross national product has been shrinking sharply over the last 20 years," he said.

The Office of Management and Budget has said that the administration's plan to spend \$15 trillion over five years on the military constitutes a growth rate, after inflation is taken into account, of 11 percent from the base that existed in 1980.

Mr. Reagan also termed as "a whopper" the assertion that the tax cut was a cause of large deficits.

The tax program enacted last year has been calculated as diminishing federal tax revenues by \$750 billion over five years.

Another myth, Mr. Reagan said, was "the charge that this administration has slashed federal social spending and caused a lot of human hardship." He said the budget for social spending has in fact increased.

The administration in the last two years has eliminated or cut scores of programs and tightened eligibility in such areas as public service jobs, school aid, student loans, food stamps, Medicare and subsidized housing.

The overall social program budget has grown because these cuts were offset by automatic increases in Social Security, Medicare, veterans benefits and other programs.

Mr. Reagan said the other myths were: The suggestion that the unemployed were doomed to a permanent joblessness, the idea that "America's best days are behind us," and the "argument that there is no end in sight" to the recession.

Mr. O'Neill said the administration's program was "not working because the program is not fair" and, just as important, because the people themselves know it is not fair.

The speaker's office also disputed Mr. Reagan's statement that most of unemployed persons were only temporarily without jobs.

A spokesman said the Bureau of Labor Statistics reported this month that the average duration of unemployment was 16.6 weeks, a rise from 13 weeks a year ago.



RIOTING IN ECUADOR — Protesters, some wearing gas masks, fled from police during violent demonstrations Friday in Quito, Ecuador. Government officials reported that three students were killed, 250 persons were arrested and an undetermined number were injured in rioting throughout Ecuador last week to protest increases in the prices of gasoline and flour.

Suit Is Settled In U.S. Raid On Militants

Los Angeles Times Service

CHICAGO — A \$1.85-million tentative settlement has been reached in the lawsuit arising from a pre-dawn police raid on a Black Panther Party apartment here in 1969, Justice Department sources said.

The sources, who asked not to be identified, said the agreement had been approved by the U.S. government and survivors of the raid and relatives of two Black Panther leaders who were killed.

Approval of the agreement by the city of Chicago and Cook County, Illinois, is expected before the end of the year, the sources said. No liability has been agreed to.

The suit contended that the Federal Bureau of Investigation, the police and Edward V. Hanrahan, then Cook County state's attorney, and his staff had conspired to violate the civil rights of the people in the apartment.

The settlement, reached after 12 years of court battles, is to be paid in equal shares by the federal government, the city and the county.

The police raided the apartment at 4:45 A.M. on Dec. 4, 1969, to search for weapons. Killed were Fred Hampton, 21, deputy chairman of the Illinois Black Panther Party, and Mark Clark, 22, a party leader from Peoria, Illinois. Four of the apartment's seven other occupants and two police officers were wounded.

U.S. 'Legislative Veto' Ruled Unconstitutional

By Stuart Taylor Jr.

New York Times Service

WASHINGTON — Laws that empower both houses of Congress, acting together, to veto federal agency rules have been held unconstitutional by a federal appeals court.

The ruling was made Friday in an unsigned opinion by eight judges of the U.S. Court of Appeals for the District of Columbia Circuit. It struck down the so-called legislative veto of a Federal Trade Commission rule requiring used-car dealers to disclose major defects and other information to buyers.

The unanimous decision, the first by any federal court in a two-house veto case, left one of the Federal Trade Commission's most controversial initiatives in a state of legal limbo.

The court said that its decision "will clear the way for the rule to become effective." But the House and Senate, which are defendants in the case, are expected to appeal to the Supreme Court, and it is unlikely the rule will be enforced until that appeal has been decided.

Congress has attached legislative veto provisions to more than 200 laws, as a way of asserting control over regulatory agencies. But the device has been opposed by every president since Herbert Hoover.

Friday's decision extended the logic of a 104-page opinion by a three-judge panel of the same appeals court in January, in another case, holding a one-house veto unconstitutional.

The ruling said that the used-car rule, and the 1980 law, "violate the principles of separation of powers" and the procedures in Article I of the Constitution for the exercise of legislative powers. That was a reference to the "presentment clause," which requires that all legislation be passed by both Houses and "presented" to the president for his signature or veto.

The importance of the appeals court decisions Friday and in January as precedents will depend on the outcome of a third case that is still pending. It is to be argued before the Supreme Court on Dec. 7.

That case, on appeal from the Ninth Circuit in San Francisco, involves a veto by the House of a decision by the attorney general against deporting a student from Kenya who overstayed his visa.

The Supreme Court, which has never considered the constitutionality of a legislative veto, may rule so broadly as to determine the constitutionality of all such devices or it may make a more narrow decision.

Congress vetoed the used-car rule in May by a vote of 286 to 133 in the House and 69-27 in the Senate.

Anti-Vivisectionist Protest

The Associated Press

BRISTOL, England — Five thousand demonstrators protesting experiments on animals at Bristol University marched through the city Saturday. Police charged 43 persons with obstruction after the protesters sat down in the middle of the main street.

5 Key Members of El Salvador Left Reportedly Abducted in Capital

By Richard J. Meislin

SAN SALVADOR — Five key members of the political branch of El Salvador's leftist opposition were seized in the capital last week, political sources and human rights groups here say.

The whereabouts of the five, who were said to have been abducted by heavily armed men in civilian dress when making political sensitive arrests. On Friday, the security forces had no comment on whether they were holding the men.

Most associates of the five men were reported to have gone underground and could not be located. A U.S. official here said the embassy was "checking all over the place," but that it had not succeeded in locating the five men.

The incidents recalled the seizure by rightists of more than 20 leaders of the Democratic Revolutionary Front in November 1980. Six of these leaders were later found murdered.

Relatives, political sources and human rights activists gave the following identifications of the five men:

The five were reported to have been abducted in separate incidents on Oct. 18, 19 and 20. There was some speculation that they had been seized by far-rightist paramilitary squads in response to recent reports that the government may be prepared to discuss the possibility of talks with the left.

But Salvadoran security forces have also been known to wear civilian dress when making politically sensitive arrests. On Friday, the security forces had no comment on whether they were holding the men.

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Relatives, political sources and human rights activists gave the following identifications of the five men:

• Jorge Herrera, a labor leader and member of the National Revolutionary Movement, missing since Oct. 19.

• David Elias Guadron, a labor leader and member of the National Revolutionary Movement, also missing since Oct. 19.

• Mauricio Domenech, a member of the executive council of the National Revolutionary Movement, reported to have been abducted Oct. 19.

• Carlos Molina, head of the economics department of the University of El Salvador and a leader of the Independent Movement of Professionals and Technicians of El Salvador. He was said to have been abducted Oct. 20.

A spokesman for the Democratic Revolutionary Front in Mexico City said three additional members of the Trade Union Federation of Salvadoran Workers had also been abducted.

Far-rightist groups have become increasingly vocal recently in opposing negotiations with the left, following statements from the U.S. Embassy evincing optimism about the possibility of such talks.

Peace Corps Plans to Start Work in Haiti

New York Times Service

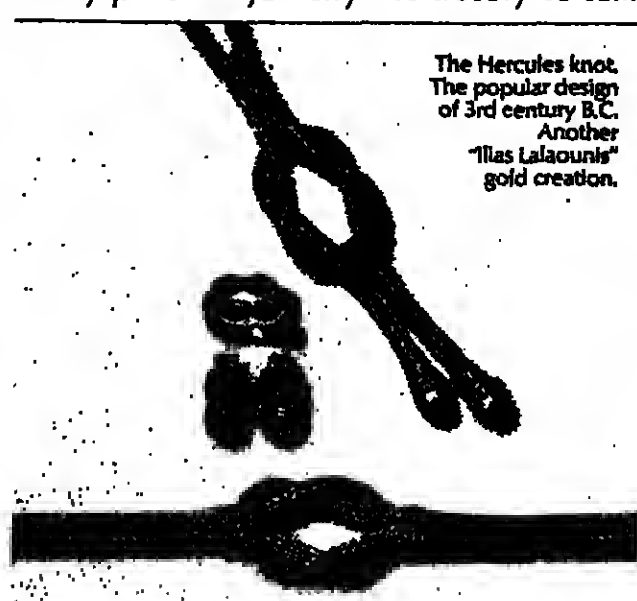
NEW YORK — The Peace Corps is planning to send volunteers to Haiti for the first time in the agency's 21-year history, according to officials of the organization.

Luis del Rio, director of international operations for the Peace Corps, said in Washington last week that he expected to go to Haiti, the hemisphere's poorest nation, early next month to complete arrangements. The project is expected to begin with about a dozen experienced volunteers who will be taught Haiti's French-based Creole language.

The Haitian government, which in the past has not wanted Peace Corps assistance, announced last month that it had decided Haiti could benefit from technical help in such areas as agriculture, reforestation and public health.

Peace Corps officials view the change of attitude as further evidence that many nations — including some that expelled the Peace Corps and are now, officials say, hinting that it may be invited back — have come to regard it mainly as a development agency.

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MYCONOS, CORFU, RHODES,
TOKYO, HONG-KONG

Drug Probe Traces DeLorean-Hetrick Dealings

By Jay Mathews

Washington Post Service

LOS ANGELES — The path that brought John Z. DeLorean, the automobile manufacturer, to jail here on cocaine charges has been traced back several years to the beginnings of his relationship with William Morgan Hetrick, a pilot and inventor who, like Mr. DeLorean, is described as a technical genius with an appetite for money and success.

Investigators said they believed the relationship goes back much further than the alleged multimillion-dollar cocaine conspiracy for which they were arrested last week. One investigator described Mr. Hetrick, 50, as a "bona fide genius who invented an innovative braking system" for airplanes before he allegedly began ferrying large amounts of narcotics from the Caribbean.

A source close to the investigation said bank accounts and safe deposit boxes were emptied in a four-county area of Southern California after Mr. Hetrick was arrested Oct. 18 along with his associate Stephen Lee Arington.

"Some places we just got to a little too late," a source said about the Internal Revenue Service's effort to find Mr. Hetrick's extensive assets, which reportedly include 28 bank accounts and two Florida pleasure boats.

The IRS also reportedly has been looking into a complex partnership organized by Mr. DeLorean, 57, to finance design work on the sports car on which he staked his future: the DMC-12 DeLorean.

Associates said Mr. DeLorean's business dealings have been so complex that the closing of his Northern Ireland auto plant by the British government may threaten the whole structure of his enterprises. Prosecutors have estimated Mr. DeLorean's personal worth at \$78 million, including \$50 million in the sports car company.

Investigators have been reluctant so far to provide many details about two key parts of the case: how Mr. DeLorean allegedly entered a deal to save his faltering company with profits from the sale of cocaine and how much federal agents were involved in leading Mr. DeLorean to videotaped meetings.

An investigator said Mr. DeLorean first came into contact with a federal informant, allegedly seeking assistance in setting up a drug deal. The informant, the investigator said, later helped put Mr. DeLorean in contact with Mr. Hetrick.

Captain Marvin Houghton of the Ventura city police department, 70 miles (112 kilometers) northwest of Los Angeles, said Mr. Hetrick operated his own aircraft repair, service and transport business in the Ventura County town of Oxnard on the Pacific coast before moving to Mojave in the desert.

In the desert, according to allegations in court, Mr. Hetrick gathered 14 to 16 aircraft that flew out of a remote airport to the southeastern United States and Colombia, bringing back to California 200 to 400 pounds (90 to 180 kilograms) of cocaine each time. A source close to the case said there was "no question" that Mr. Hetrick flew some of the runs himself.

Mr. Hetrick reportedly spent at least \$225,000 on new equipment for his Morgan Aviation Co. and told acquaintances about his boats and other interests, leading some to wonder where his money came from, according to investigators.

According to Captain Houghton, Ventura city investigators were tipped off in March that someone was moving large amounts of money around in what was suspected to be a "laundering" operation, putting money from illegal activities into legitimate investments. After a time, he said, city investigators heard the name "Morgan" in connection with the case.

"That stopped us for a while," Captain Houghton said. "We didn't know anyone named Morgan. Then we learned it was this individual's middle name, and he had this company in Mojave named after him."

U.S. Customs officials were contacted, Captain Houghton said, and "eventually we found we were working up from the bottom" while the FBI and Drug Enforcement Administration "were working down from the top. In the middle was Hetrick."

At about the same time, Mr. DeLorean was sinking deeper into business difficulties. His sports car venture, funded with \$143 million in various kinds of support from the British government, had been turning out thousands of cars in Northern Ireland, but they piled up on the Belfast docks and at dealers in the United States as the recession hit the auto market.

The federal investigation of Mr. Hetrick moved into high gear about May, and not long after that, according to investigators, Mr. DeLorean suddenly appeared in the web of surveillance and informants set up to catch Mr. Hetrick.

The government's criminal complaint charging Mr. DeLorean with conspiracy to possess cocaine with intent to distribute says his first contact was July 11 with a "confidential informant" in the Marriott Hotel in Newport Beach, California.

On Sept. 4 in Washington's L'Enfant Plaza Hotel, according to a government affidavit filed Wednesday, Mr. DeLorean, an unnamed government informant and a DEA agent posing as a drug buyer and distributor named "John Vicenza" met to discuss importing heroin from Thailand and cocaine from South America while other federal agents secretly videotaped them. An investigator said the tape is not of the best quality, but the participants can easily be heard and identified.

Mr. DeLorean participated in another taped session in the Bel Air Sands Hotel in Los Angeles Sept. 20, this time with Mr. Hetrick and Benedict J. Tisa, an FBI agent posing as a drug distributor and go-between, according to affidavits.

Hetrick told DeLorean that if he brought cocaine from outside the United States, the price would be approximately \$25,000 per kilogram, and that it would be about 10 days before he could deliver it," an FBI affidavit said. "Hetrick also told DeLorean that he could obtain 100 kilograms of cocaine immediately from a source in San Francisco, but that the price would be \$50,000 per kilogram."

Mr. Tisa told Mr. Hetrick that Mr. DeLorean had \$1.8 million to invest, Mr. Hetrick agreed to get 100 kilograms of cocaine, and Mr. Tisa told him it would be distributed by the unnamed informant who was present Sept. 4, according to the affidavits.

Company in U.S. Offers to Purchase DeLorean Motor

The Associated Press

COLUMBUS, Ohio — Consolidated International Inc., a huge liquidating company with headquarters here, has offered to buy DeLorean Motor Co.

Sol Shenk, president of Consolidated, said Saturday that he may know Monday whether his company's offer to buy DeLorean's inventory and take a 90-year lease on its plant near Belfast will be accepted. Mr. Shenk declined to reveal how much Consolidated had offered, but indicated that it was less than \$100 million.

Mr. Shenk said the offer to lease the plant and purchase the 1,100 cars in stock is to be considered Monday by a court-appointed receiver in Britain.

"It's a complicated deal and involves substantial cash," Mr. Shenk told the Columbus Dispatch newspaper.

DeLorean Motor Co. has been in receivership since January. The court receiver closed the plant Tuesday, when John Z. DeLorean was arrested in Los Angeles on drug charges.

Marked Rise Reported in Number Of New Yorkers Seeking Food Aid

By Sheila Rule

New York Times Service

NEW YORK — Voluntary agencies and community groups all over New York City report marked increases in the number of persons who say they have no money for food.

In poor neighborhoods and in relatively affluent ones, adults and children are lining up in growing numbers for bags of groceries or for hot meals, according to officials for the groups. They said the growing demand is taxing their resources to the point where they sometimes run out of food.

No one compiles statistics for the entire city, but officials interviewed at 40 agencies that provide hot meals or packages of food in the city said they have seen a marked rise since last year in the demand for food assistance.

"When we talk about hunger in the city, people think we're talking about the homeless," said Donald Lawrence, director of a referral group, the Food and Hunger Hotline. "People don't recognize that the person next door may not have eaten for three days. The people who call us are desperate."

Elsewhere in the metropolitan area, officials said they were seeing more people in need of food. The Center for Food Action in New Jersey, which coordinates a state emergency food network, said it was seeing appreciable increases.

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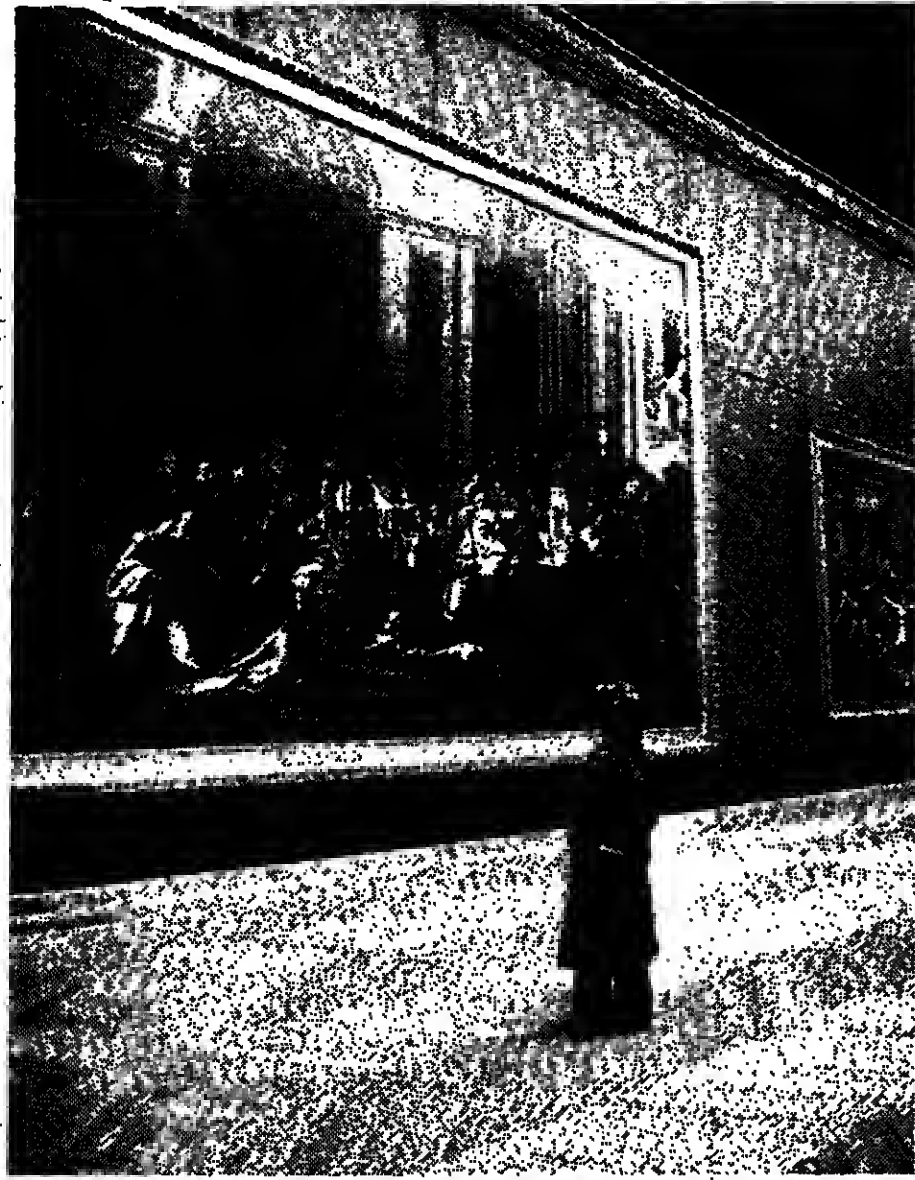
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Francoist Emerges as Strong Candidate

By R.W. Apple Jr.
New York Times Service
BARCELONA — A former top official under Franco has emerged as the leading challenger of the Socialist candidate in Spain's general election this week.

With two-thirds of the constitutionally mandated campaign completed and the voting scheduled for Thursday, opinion polls suggest that the rightist Popular Alliance of Manuel Fraga Iribarne, which had only nine seats in the old parliament, could gain up to 100.

Mr. Fraga, 59, concedes privately that he has little chance of defeating the Socialist candidate, Felipe González, 40, and becoming prime minister. But he argues that he will win enough seats in Spain's lower house, the Congress, to take over as leader of the oppo-

sition. The Socialists will not be able to solve the country's problems, he says, and then Spain will turn to him.

Madrid Paper Says a Coup Is Planned for Eve of Vote

MADRID — Four days before elections expected to sweep the Socialists to power, the editor of Spain's biggest daily, El País, wrote Sunday that a rightist coup was being prepared in Spain.

The editor, Juan Luis Cebrian, likened the situation to the latest novel of the Nobel Prize winner Gabriel García Márquez, "Story of an Ancestral Murder," where a whole town knows a murder is about to be committed but no one does anything to stop it.

"We know a crime is being prepared, we almost know where and when and the characters of the story. But what is being done about it?" Mr. Cebrian wrote in a front-page editorial.

Mr. Cebrian quoted officials as saying they had uncovered only a minor part of an alleged plot for a military takeover on the eve of Thursday's vote.

"The reactionary right wing is in such a panic at a possible Socialist victory that it is prepared to use all legal and illegal means to prevent it. They hardly have any legal means left. They could only try to stop the ballot," he wrote.

Three colonels were charged ear-

lier this month with conspiracy to rebellion in connection with the alleged plot, and nine senior officers have been transferred to desk jobs in remote provinces amid rumors of further coup attempts.

Blas Pinar, leader of the neo-fascist Fuerza Nueva party, told thousands at a rally in Madrid that coup threats were imaginary. But in an attack on Spain's seven-year-old democracy, he said: "There can be no solutions in this system. Either the system disappears, or Spain disappears."

The Socialist leader, Felipe González, who opinion polls show headed for a landslide victory, said Saturday he is not preoccupied by the situation. But he appeared concerned by predictions of a collapse of the ruling centrist party and a polarization of Spanish politics.

"I am not at all worried by the situation of the Democratic Center... a moderate and reformist right that Spain needs," he said.

The leader of the Union of the Democratic Center, Landelino Lavilla, said at an election rally in northern Spain that the country's future was at stake in preserving centrist policies.

man who can ensure stability in a country where the army remains resolutely opposed to leftist politics and where the center has collapsed.

Many of the Socialist leader's close aides fear a coup within a year or a year and a half of a Socialist victory — and their fears are not calmed by the daily diet of plot rumors on which Spain lives.

Earlier this month, three officers were arrested on charges of planning a coup for the day before the election. Last Thursday, the Madrid newspaper ABC reported that on Tuesday night an armored column approached Zarzuela Palace, the residence of King Juan Carlos I.

The palace's 2,500 guards were reportedly placed on alert and told to fire if the column came within 100 yards. It turned away, but no one seems to know why it was there.

Rival politicians do not consider Mr. Fraga an accomplice of disaffected generals and colonels. But they believe that he is quite willing to use the public's fear of military intervention as a tactic to persuade voters to move right, lest a victory by the left provoke action by the army.

Soon after the discovery of the pre-election plot, Mr. Fraga provided ammunition for those who view him as, at best, a lukewarm advocate of democracy. He told Congress that politicians must understand the frustrations of soldiers confronted, as he put it, by terrorism, a rising wave of public disorder and the threatened territorial breakup of Spain.

Opponents of the alliance leader said he was sending a signal to rightist officers to do what they liked, and Prime Minister Leopoldo Calvo Sotelo declared, "I think it's very serious when you ask for understanding for coup plotters."

Campaigning last Thursday in Catalonia, Mr. Fraga repeated the warnings he has been voicing for months. He said the Socialists would shed their moderate clothing and adopt hard-line Marxist policies when in office, told Roman Catholic voters that the Socialists would destroy the family by legalizing abortion and condoning divorce, and urged that terrorists be shot.

Mr. Fraga tried and failed this



Manuel Fraga Iribarne

summer to form an electoral alliance with the ruling Union of the Democratic Center. It has since gone to pieces. Now Mr. Fraga says Spain must make a choice between left and right, between Mr. González and himself, and destroy the centrists in the process to make the country "governable."

His own party, he asserts, will last for 100 years.

FBI Seizes 5 Suspects For Attacks on Turks

By Jack Jones
and David Johnston
Los Angeles Times Service

LOS ANGELES — Five Armenians have been arrested by FBI agents and local law officers as suspected members of a terrorist group that has claimed responsibility for bombing Turkish offices and assassinating Turkish diplomats.

The FBI released a statement Friday saying the arrests stemmed from a joint investigation with the Los Angeles Police Department's Public Disorder Intelligence Division and the Los Angeles County Sheriff's Department.

Four Armenians were taken into custody in Los Angeles and Orange counties, while the fifth was arrested by FBI agents and

Massachusetts State Police in Boston.

According to information from Boston — where the honorary Turkish consul, Orhan R. Gunduz, was shot to death in May — Steven John Dadaian, 20, was arrested after arriving from Los Angeles with explosives.

But FBI agents in Boston refused to say what explosives were confiscated or why they had believed Mr. Dadaian had had them. The Armenians arrested in California were identified as Karim Karlos Sarkissian, 29, Viken Vaskon Yacoubian, 19, Viken Archavir Sarkissian Hovsepian, 22, and Dikran Sarkis Berberian, 29.

All five, according to the statement by the Federal Bureau of Investigation, will be charged under federal law with conspiracy, unlawful possession of unregistered firearms and other charges.

The FBI would give no further details because the warrants had been issued in response to a sealed indictment. The arrests stemmed from investigations into bombings in the Los Angeles area since 1980, it said.

The FBI would say only that the bombings were "directed at foreign diplomatic establishments and claimed by a foreign-based terrorist organization in Beirut, Lebanon, the Justice Commandos of the Armenian Genocide."

The Justice Commandos, like another group called the Armenian Secret Army for the Liberation of Armenia, seek revenge for what they claim was the massacre of 1.5 million Armenians by the Turks in 1915. The Turkish government has denied there was a massacre.

Twenty-one Turkish diplomats have been killed worldwide since 1973. It was the Justice Commandos who claimed responsibility for the assassination here Jan. 28 of a Turkish consul general, Kemal Arkan.

Harry Sassounian, 19, an Armenian, had been arrested in that killing and charged with first-degree murder. His brother Harout, 21, had been arrested in connection with the Arkan case, but won a mistrial in May.

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U.S. Nuclear Arsenal Girding for Terrorists

By Richard Halloran
New York Times Service

WASHINGTON — The United States has started an intensive new program intended to prevent terrorists from stealing American nuclear weapons, according to officials of the Defense Nuclear Agency.

The officials said that for years, security measures had been aimed at protecting nuclear weapons from saboteurs and cranks, rioting mobs, seizure during a political upheaval in a foreign country, or Soviet troops trained to overrun storage sites in Europe.

"But the thing we worry most about today is the threat from a dedicated terrorist force," said Colonel C.R. Linton, director of physical security for the agency.

The Pentagon's classified Defense Guidance, the five-year plan that sets policy for the military services, reflected that concern, saying, "The existing program and efforts to improve the security of nuclear weapons sites overseas must be sharply accelerated."

The new measures to safeguard nuclear storage sites in the United States, Western Europe, and South Korea include improving intelligence-gathering on terrorists by military and civilian agencies, devising better sensors to detect intruders, and, particularly, expanding the training of military guards at the sites.

The agency has designed a \$3-million test site, to be completed next year, at Fort McClellan, Alabama, where military police officers and troops trained to guard storage sites can be tested under realistic conditions, including live demolitions. The site, which will also be used to test new sensors, alarms, fences, lights and other devices, will have towers and fences that can be moved about to simulate conditions at actual storage areas.

Colonel Linton and other officials said they had been informed that terrorists in Europe might have been planning to break into an undisclosed number of sites where nuclear artillery shells and other tactical weapons are stored.

The officials said that the Red Brigades terrorists who kidnapped Brigadier General James L. Dozier

in Italy last December had been seeking information on U.S. nuclear storage sites in Europe.

"Fortunately," Colonel Linton said, "he didn't know anything."

The officials at the Defense Nuclear Agency, which assists and advises U.S. forces armed with nuclear weapons, said the primary danger to a nuclear storage site would come from an armed, trained and motivated band of 10 to 12 terrorists. Units larger than that, they said, would be easier for intelligence agencies or for sensors and guards to detect. They noted that some nuclear weapons can be carried by a single man while others require transport by truck.

Colonel Linton and other officials also said they had seen evidence in Europe that terrorist groups and members of organizations opposed to nuclear weapons had begun to join forces with the theft of a nuclear weapon in mind. They said they could comment no further on this.

Besides being complex mechanisms, American nuclear weapons have built-in devices to prevent accidental explosions and to foil thieves, the officials said.

The new program to safeguard nuclear storage sites has taken high priority in the various military intelligence services, the Central Intelligence Agency, the Federal Bureau of Investigation, and other agencies, the officials said.

The cost of the overall program is difficult to determine, the officials said, because the funds are scattered through various Army, Navy, and Air Force operating budgets, and those of the intelligence and law enforcement agencies.

As an indication, however, Colonel Linton said the Defense Nuclear Agency had 56 research projects on protective devices under way this year that would cost about \$10 million, compared with eight projects costing \$1 million in 1977.

Danish Firefighter Killed
The Associated Press
Helsingør, Denmark — A firefighter was killed Sunday while fighting a blaze at a candle plant in which millions of candles went up in flames, police said. The plant was destroyed.

هكذا من الأهل

The New Bonn Team Takes to the Field, but With Few New Players

By James M. Markham
New York Times Service

As a new team takes charge in Bonn, some West Germans may perhaps be forgiven if they find the contours of Chancellor Helmut Kohl's vaunted "new beginning" a bit blurry.

So many "new" people on the Kohl team are old people, so much of the "new" language is subtly shaded old language, that one has to strain to discern the pathbreakers, or hear the genuinely new accents and tonalities.

West Germans put great store in stability, and when a new government takes over there is one of the "ruthless" bureaucratic housecleaning that accompanies a new administration in Washington. Real-estate values in solid Bonn undergo upheavals; interior decorators get no rush of new business from ambitious wives just in from the provinces.

West German ambassadors stay securely in their posts; bureaucrats who have arrived at the coveted top level of state secretary, like the previous government spokesman, Klaus Bölling, are guaranteed cushy jobs out of the limelight or, at worst, enormous pensions if they choose to retire. The cost of easing Social Democratic ministers and other politicians into opposition status has been \$4 million.

All of this means continuity, particularly in a nation where bureaucracy in normal times is a strong undertow on policy innovation.

As the first government in West Germany's 33-year history to come to power through a midterm swap in parliamentary alliances, the Kohl team has been especially sparing in its reshuffling of senior personnel, except in the Defense and Interior ministries.

A sign of the limits of the new team's tolerance for political holdovers from the old regime came last Tuesday when Horst Schulmann, a respected state secretary in the Finance Ministry and a close associate of former Chancellor Helmut Schmidt, was relieved of his post.

At first it appeared that Mr. Schulmann, who has wide experience in international economic affairs, would keep his job. But then Finance Minister Gerhard Stoltenberg made the cut.

"What probably happened was that they were surprised," Mr. Schulmann said of the abrupt advent of the Kohl government, which came to power on a parliamentary vote Oct. 1. "They hadn't given much thought as to who would replace whom."

Aside from his cabinet, Mr. Kohl has surrounded himself with a team of advisers drawn in several instances from his days as premier of Rhineland-Palatinate. Horst Teltschik, a trusted senior legislative aide, is now in charge of security matters in the chancellor's office, and Waldemar Schreckenberger, 53, a former law professor from Mr. Kohl's hometown of Ludwigshafen, is a key domestic policy adviser.

Another important figure in the new government is Eduard Ackermann, 53, a longtime spokesman for the Christian Democratic group in Bundestag, who will watch over the chancellor's public image.

It is in the realm of foreign policy that the continuity with the Schmidt government is most striking. Three days after Mr. Kohl became chancellor on a no-confidence vote against Mr. Schmidt, reporters trailed off to the Foreign Ministry for a briefing on the new government's foreign policy.

There to brief them was a friendly and familiar personality: Karl Paschke, Foreign Ministry spokesman under Mr. Schmidt and Foreign Ministry spokesman under Mr. Kohl. Mr. Paschke's immediate superior was of course back to the saddle: Foreign Minister Hans-Dietrich Genscher recently.

Mr. Genscher, the architect of the change of governments and chairman of the Free Democrat Party, now sits in the same black-leather swivel chair in parliament in which he sat for eight years as Mr. Schmidt's deputy chancellor and foreign minister. Only now he sits next to Chancellor Kohl.

Mr. Genscher's cautious imprint was evident when Chancellor Kohl unveiled his foreign and domestic programs to the Bundestag recently. Aside from a promise to "deepen the partnership" with the United States, a commitment to "real détente" (as distinguished from détente) and rather strong language on Poland, Mr. Kohl's foreign policy sounded strikingly like Mr. Schmidt's.

At home, Chancellor Kohl has signaled an era of belt-tightening and has tried to capture a fairly widespread consensus that the state, like its citizens, cannot long live beyond its means.

But, by stressing before the Bundestag that he wanted to build "a society with a human face" and that he led "a coalition of the middle," the chancellor seemed determined to prevent the Social Democrats from pinning a right-wing, Thatcherite or Reaganite label on him.



About 50,000 persons demonstrated in Frankfurt to protest planned cuts in social benefits.

West German Workers Protest Social Cuts

United Press International

BONN — Several hundred thousand union members demonstrated Saturday in West Germany to protest the new government's program of reducing social benefits to cut spending.

"This program will be carried out not with us but only against us," Ernst Breit, chairman of the 8-million-member German Federation of Labor, said at a rally in Frankfurt.

Similar rallies, the first of a series, were held in the Ruhr city of Dortmund and the Bavarian city of Nuremberg. It was the first open confrontation of the union movement with Chancellor Helmut Kohl's Christian Democratic government.

About 100,000 took part in the Dortmund rally, 50,000 in Frankfurt and 70,000 in Nuremberg to oppose the government's call for a wage freeze and reductions in welfare benefits.

Socialist Victory Is Seen in Greece

But Communist Vote in Municipal Runoffs Is Crucial

Reuters

ATHENS — The ruling Pan-Hellenic Socialist Movement in Greece, backed in municipal elections Sunday by the Communists, appeared to be heading for overwhelming control of the country's local governments.

With more than half the votes counted, the party of Prime Minister Andreas Papandreu looked close to the goal it set for itself — control of 170 of 276 municipalities.

The voting took place in 140 towns in which no candidate won an absolute majority in the first round of balloting last Sunday.

In most of the 96 towns where Socialist candidates faced the conservative New Democracy Party, people who voted Communist last Sunday apparently swung behind the Socialists to give them comfortable victories.

The Socialists' support from those who voted Communist in the local elections came despite sharp differences on national policy. Mayor Dimitrios Beis of Athens, a Socialist who was neck-and-neck last week with his conservative rival, Tzannis Tzannetakis, was re-elected Sunday with strong Communist support.

Mr. Beis's vote rose to 55 percent Sunday from 38 percent a week ago, suggesting that most of the 18 percent who voted for the Communists earlier had switched to the ruling party.

In Piraeus and Salonika, the other two major cities, Socialist candidates who had come in second last week looked likely to win easy victories because of Communist support.

The two rounds of voting were the first test of Greek public opinion since Mr. Papandreu swept the New Democracy Party out of office a year ago and formed Greece's first Socialist government.

The Communists, and to a lesser extent New Democracy, appeared to have benefited from a swing against the governing party in both rounds of the municipal voting.

The Communist Party, which increased its strength dramatically last week, appeared ready Sunday night to win at least half the 44 towns where its candidates had got through to the runoff.

Where Communist candidates faced rightists, they benefited from a united left-wing front, and where they faced Socialists they seemed to be attracting tactical support from the right wing.

Supporters of the Socialists and the Communists alike hailed the results Sunday night as a victory for the left over the right, while New Democracy asserted that it increased its strength despite the united opposition from the left.

In Athens, New Democracy officials said their candidate's 45 percent showing was a big increase on the party's 34 percent performance in the city last October.

Commentators said that, whatever the final results, Mr. Papandreu's party appeared to have lost some of the overwhelming popular support it enjoyed 12 months ago.

In the future, they said, the Socialists would have to take more account of Communist views in formulating policy, which might mean a hardening of Greece's attitudes toward the United States and NATO.

New Delhi Struck By Major Epidemic Of Dengue Fever

New York Times Service

NEW DELHI — Health officials report an especially virulent epidemic in the capital of dengue fever, a mosquito-borne disease that produces symptoms comparable to severe influenza.

Dr. Mahendra Dutta of the National Institute of Communicable Diseases said the epidemic, which began to develop two months ago, was the worst since 1970. Thousands of people have come down with the disease, officials say.

Dengue causes high fever, rash and aching, particularly in the joints and the back, usually for seven to 10 days.

Dr. Dutta said a survey of 3,000 people showed that 20 percent of those interviewed had the illness. He said he could not estimate the number of cases in the capital, which has a population of 5.6 million.

Dengue fever is transmitted to humans by the Aedes aegypti mosquito.

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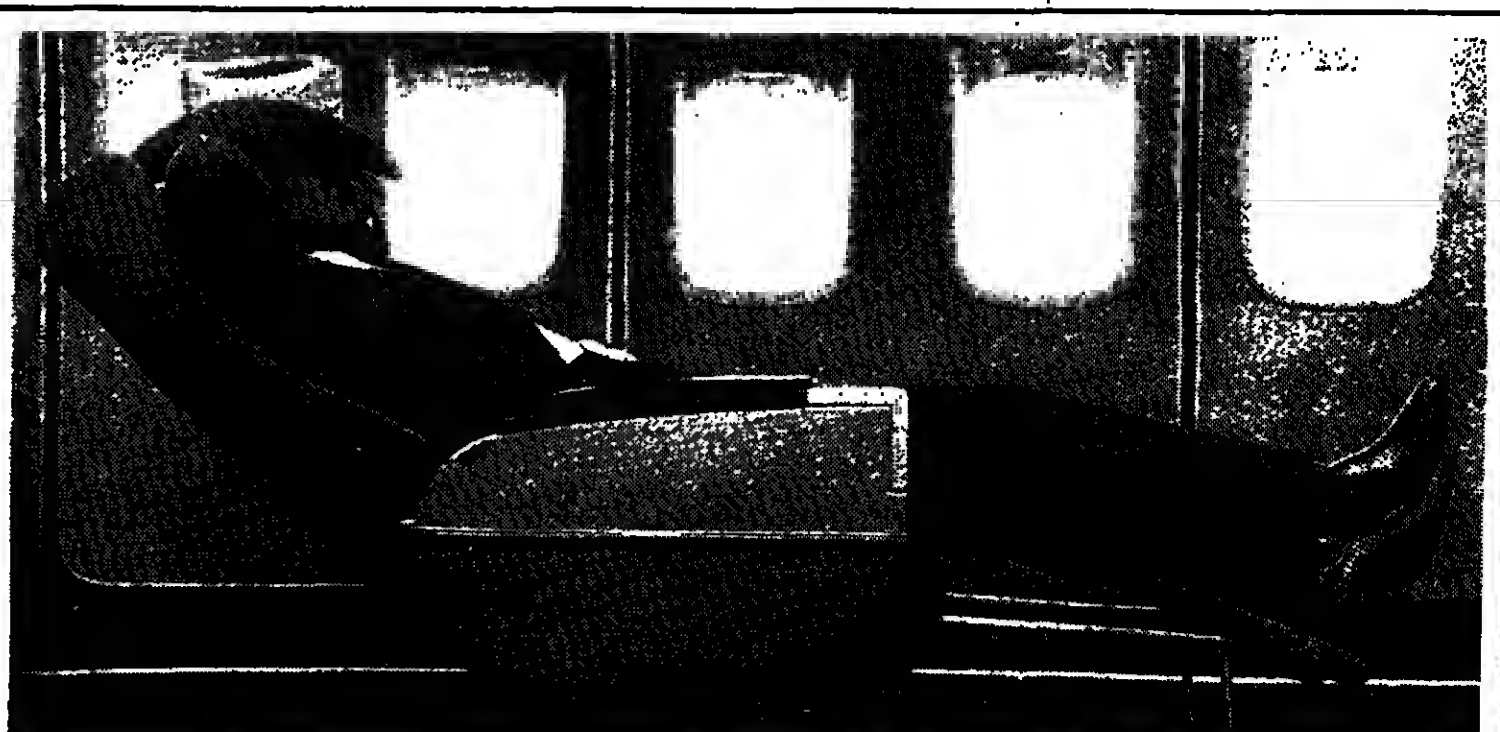
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Assembly Hopes Falter After Sinn Fein Gains

By Peter Osnos
Washington Post Service

LONDON — Results in the election for members of a new Northern Ireland assembly have shown unexpected support for the Provisional Irish Republican Army's political wing, Sinn Fein, and appear to assure that the assembly will fail as a workable forum.

About a fourth of the vote in the election Wednesday went to representatives of Roman Catholic parties, including Sinn Fein, that are pledged to boycott the assembly. The largest number of seats were won by Protestant, pro-British parties. But without what is called "cross-community" backing, the assembly's deliberations are expected to have little effect.

The assembly idea was put forth by James Prior, Britain's secretary of state for Northern Ireland. It was Britain's sixth major attempt in a decade to establish a means for political dialogue and local authority in Northern Ireland.

Sinn Fein and the Social Democratic and Labor Party, the main moderate Catholic party, had said from the outset that they would enter candidates in the election but that they would refuse to take any seats to protest Britain's role in Northern Ireland.

Britain's hope for a political breakthrough was that a substantial number of Catholic voters would reject that view by choosing candidates committed to giving the assembly a chance.

Instead, at least five Sinn Fein members have been elected, a surprisingly strong showing in the view of many politicians. Sinn Fein, which has refused to take part in similar elections in the past, won about 10 percent of the vote and about 40 percent in Catholic areas in which its candidates faced the Social Democratic and Labor Party.

liance Party won at least eight seats and along with the Protestant unionist parties will comprise the assembly. Under Mr. Prior's plan the body is to have consultative and debating rights over the British government's direct rule of the province, but no responsibility.

Britain had hoped that in time the group might attract sufficient community backing to be given legislative authority to run the province.

The election showed the continuing polarization in Northern Ireland, many political analysts said, rather than any significant new trend toward compromise. Many in Northern Ireland anticipated that outcome and there was considerable sentiment that the effort had been misguided from the start.

Among those elected to the assembly were Gerry Adams, a Sinn Fein vice president, and the two main Protestant leaders, James Moynihan, whose Official Unionist Party won the largest share of the seats, and the Rev. Ian Paisley of the more militant Democratic Unionist Party.

Threat to Hostage
Paramilitary Protestants who seized a Catholic hostage after the IRA kidnapped a Protestant soldier said they would kill the man Sunday night if the IRA did not release the soldier, a Belfast police spokesman told United Press International.

An IRA unit seized Sergeant Thomas Cochrane, 57, a part-time member of the Ulster Defense Regiment, as he drove to work Friday in South Armagh. The IRA said it was questioning him about "crimes against the republican community."

Within 12 hours, the paramilitary Ulster Defense Force kidnapped Joseph Donaghy, 48, as he left a club near his West Belfast home.

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Herald Tribune

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Reagan's Strategic Drift

The distinctive feature of the United States' current strategic situation is that the Reagan administration has allowed U.S. relations with the Soviet Union and China to deteriorate simultaneously. This is precisely a reversal of the theory and practice of American strategic policy in the 1970s. Then the effort was to progress with the one communist power to bring about progress, or at least to brake retrogression, with the other. Now there is improvisation and drift.

Mr. Reagan has given top priority to testing the notion that the Soviet Union is an intrinsically hostile power whose impulse to expand must and can be deflected by the application of American will. The plain implication is that things will have to get worse, as Moscow reacts to the U.S. challenge, before they can get better. Whether Mr. Reagan can say this particular course is an increasingly interesting question, at home and internationally. That things are indeed worse with the Soviets is not in question at all.

This administration inherited a working China policy in which relations were moving forward by degrees, and the ever-explosive Taiwan question was being, at the least, carefully tended. Mr. Reagan's special partiality to Taiwan shook the ground. Alexander Haig, while he was secretary of state, undertook a formidable standing effort; it cost him dearly. Now things are off track again. A few weeks ago Beijing blamed Washington for raising "obstacles" and said it was necessary to ask whether the United States regard-

ed China as a friend or an adversary — the basic question, the very question that Presidents Nixon, Ford and Carter had struggled to resolve. Dotted the "I." China has reopened general political talks with the Soviet Union after three years of deep freeze.

There is no telling where these talks may go. But a Soviet-Chinese reconciliation, or simply a return to bumpy but manageable relations on the state (but not the party) level, has been a major concern for American planners since Richard Nixon went to Beijing. Such a development would limit the United States in playing "the China card" against the Kremlin. It is not that responsible Americans have wanted to provoke Moscow and Beijing to go at each other or to stay permanently estranged. But there are advantages to America in having the two of them at odds, and there would be disadvantages in having them cooperating against it.

Mr. Reagan may have his own calculus; it would be interesting to hear it. Others, however, can see his administration pushing toward a tighter clench with Moscow on the central nuclear issues and stalling on the question of whether to make a fresh run at Beijing. In both instances, the basic hurdle is the president's visceral, undifferentiated anti-communism. It keeps him from looking hard for what comforts there might be in improving relations separately with both the Soviet Union and China. It leaves him without a strategy to guide his policy.

—THE WASHINGTON POST.

A Cuban Poet Uncaged

Cuba has at last ended the shameful imprisonment of Armando Valladares, who has wasted in jail for 22 years for disagreeing with Fidel Castro. Mr. Valladares has nonetheless become known abroad through his poetry. But he has been partially disabled, apparently by polio, the legacy of a starvation diet by which he was punished six years ago. His book of poems is entitled "From My Wheelchair."

Three years ago Mr. Valladares was informed that he and his family could leave Cuba, at this price, in his words: "I have to draft a letter denying my friends among intellectuals and poets abroad; I have to forbid everyone, including newspapers and organizations, to speak or write about me and my

literary works. ... I must even disavow and deny every truth they have spoken in defending my situation." He did not bow. It took the intervention of France's President Mitterrand to end the 48-year-old poet's ordeal.

Fonder than: Despite a monopoly of state power, Mr. Castro has felt threatened by a caged poet. A regime that boasts of teaching Cubans to read will not let them write. Cuba has come to rival Bulgaria in the slavishness of its official culture.

Castro's defenders too often decline to hear about the jailed dissidents and the writers who have been forced into silent exile. When dictators fear poets, there is usually much more they have to fear.

—THE NEW YORK TIMES.

Other Opinion

Enter Sir Anthony Parsons

Mrs. Thatcher has long had her Foreign Office adviser of sorts, in the sense that her personal staff has included a career diplomat on assignment. However, the formal establishment of such a post and the appointment to it of a senior retired ambassador can fairly be described as a quantum leap in this field. It plainly indicates a lack of full confidence in the guidance hitherto given. Just as plainly, it shows that diplomacy will henceforth be embraced far more closely by the Downing Street political machine.

This that can make for friction is obvious, but Mrs. Thatcher seldom shrinks from letting the sparks fly. More pertinently, she is well aware that her performance abroad has not so far matched that at home. Her trip last month to Beijing to discuss the future of Hong Kong was uncertain in both its approach and its outcome. This is the sort of broad issue of policy where the new adviser can usefully make his mark.

Another long-term strategic problem which clamors for attention is the sorry state of European-American relations. One major cause of friction was removed by last week's agreement on steel exports to the United States. Other vexed issues remain, including the dispute over the Siberian pipeline.

The underlying cause of that quarrel is that America and her European partners cannot agree on how to meet the threat of Soviet aggression, of which the Russian-sponsored military crackdown in Poland is but one manifestation. Can Britain, on this and other issues where the two shores of the Atlantic are opposed in policy, continue with her uneasy balancing act? If not, where should her main weight be placed? It is to be hoped that Mrs. Thatcher's new top-level diplomatic adviser will be free to ponder such urgent matters and not become absorbed in the minutiae, important though these are, of Britain's contributions to the Market budget.

—The Sunday Telegraph (London).

A Korean Arms Equation

The vital role of [South Korea's] armed forces in keeping the country secure and prosperous needs no elucidation: it is perceived every day through the 248-kilometer Demilitarized Zone that cuts across the Korean peninsula. The North Korean military power continues to pose a sizable threat to this republic. In many areas of weaponry, North Korea outnumbers the South by two-

to-one. This numerical superiority will be hard for us to reverse as North Korea keeps concentrating on its armed buildup. Our forces will have to fill the gap with qualitative supremacy — at least for some time ahead. The recent flying of an F-5F fighter out of our own assembly line represents the strides being attained in the steady endeavor to upgrade the armament of the forces.

The well-trained and well-armed troops ready to meet any equality, either full-scale attack or irregular warfare, are the primary means of preventing the unpredictable Pyongyang from miscalculating. Furthermore, they are the primary means of inducing North Korea to change course, so that the divided halves will try to resolve their problems through talks as repeatedly proposed by Seoul. The dynamics of international relations in this part of Asia adds to the already desperate need for strong defense power.

—The Korea Herald (Seoul).

Re-election in Sri Lanka

The voters have given [President] Jayawardene a comfortable if not a landslide victory. This is clearly an endorsement of his pragmatic economic policies, as opposed to the policy of controls and restrictions pursued by the government in previous years. The verdict also places a stamp of approval on the pro-Western tilt Mr. Jayawardene has given to Sri Lanka's broadly nonaligned foreign policy.

—The Times of India (Bombay).

President Jayawardene's return to power cannot but be viewed with some apprehension in [India], given his steady steering of Sri Lanka toward the NATO bloc and away from the nonaligned world.

—The Daily (Bombay).

It was the prospect of a stable and known government that swayed the voters, rather than any clear understanding of his economic policies since 1977, through which he has sought to "Singapore" Sri Lanka.

—The Financial Express (Bombay).

The 76-year-old president can rightly claim that [the voters] are with him and approve of his policies. Sri Lanka has taken major strides on the economic front. The rise in GNP and the fall in the rate of inflation are largely due to the Jayawardene regime's emphasis on production and productivity. The opposition's charge that he was a stooge of the West obviously made little impact.

—The Hindustan Times (Delhi).

South Africa Threatens to Be the Middle East of the 1990s

By Robert S. McNamara

The writer, a former U.S. secretary of defense, was president of the World Bank from 1968 until he resigned in June 1981. This text is adapted from a speech he delivered on Thursday at the University of the Witwatersrand in Johannesburg.

JOHANNESBURG — Unless South Africa's racial policies are fundamentally redesigned, they will eventually lead to a catastrophic racial conflict that will have serious ramifications throughout the Western world, and most especially in the United States.

Frustration is clearly festering among young blacks within South Africa. Many have already left the country to join liberation movements. Many more will do so in the future. And if a rising tide of violence engulfs both whites and blacks in South Africa — and particularly if the Soviet Union chooses to help wage a war of liberation directly, or by proxy, against the white regime — then the United States will be confronted with a very dangerous set of dilemmas in trying to decide how to react.

Many Americans, both blacks and whites, will have intense personal feelings about the issues. Strong conflicting pressures to support one side or the other will emerge. The resulting debate could quickly mobilize African political and economic pressures against America. It could divide the United States from its European allies. And it surely would lead to bitter and divisive debate within the United States itself.

To put it bluntly, if South Africa fails to deal justly and effectively with its racial problem, that failure will not only result in immense damage to its own society, it will impose heavy economic, military and political penalties on other Western societies as well.

It seems clear that the government recognizes there is internal and external criticism of its policy. It seeks to give the impression that it is

responding to such criticism by limited reforms. But despite such actions there has been little change in the basic structure of apartheid.

The weakness of the government's program is twofold. The pace at which it addresses the pressing social and economic needs of the blacks is far too slow, and it fails to confront the issue of political participation.

Blacks are excluded from all significant forms of participation in South Africa's political system. They have no authorized voice; they are not even allowed to join political parties containing white members. Legislative power is vested in the 177-member parliament. The House of Assembly is chosen by white (4.5 million out of a population of 29 million) and is restricted to whites. Executive power is held by the prime minister, the leader of the majority party of the parliament. Parliament is supreme; no court may invalidate its acts.

Nowhere does the South African government begin to advance toward what former British Prime Minister Edward Heath has called the only ultimate solution, "the granting of full political rights to the non-white population — a universal franchise at the national level."

What will be the reaction to the government's program? Already one sees signs of a growing though reluctant acceptance among

South African blacks and outside observers that fundamental changes will come only through revolutionary violence.

• The young blacks are increasingly chafing at inaction. An estimated 8,000 have left so far for military training abroad.

• Many older blacks, sharing the impatience of the young, are resigning themselves to the inevitability of sabotage and guerrilla warfare as necessary stimulants to change.

• The growing acceptance of violence as a tool of change has stimulated interest in radical ideologies, particularly Marxism.

Because the government continues to refuse to make any fundamental change in its racial policies, a violent explosion appears inevitable. And it is possible that the "explosion" when it occurs will be preceded or accompanied by Soviet penetration into the region.

Can one visualize a feasible alternative? I believe that one can.

Clearly, a major element of such an alternative scenario is the program of economic reform supported by liberal South African business leaders. But although a program of economic reform is highly desirable in itself, and certainly deserving of broader support from both South African and international business leaders, I do not think that it is likely to bring the necessary political reforms fast enough.

I believe that the political issue must be confronted squarely. The South African government's view — that separate but unequal development is not inherently discriminatory, and that political participation by all persons, regardless of race or color, is totally unacceptable — must, I believe, change.

Now, of course, no outsider can dictate the form of an acceptable political alternative in South Africa. But it seems obvious that whatever the final formula may turn out to be, if it is to have any chance whatever of succeeding it must be part of a negotiated settlement that will do two absolutely essential things.

• It must assure the blacks full participation in genuine political power.

• And it must protect the whites against a winner-take-all form of majority rule.

Some will object that rule by a black majority will lower the rate of economic and social advance in South Africa for blacks and whites alike. They point to the evidence that income per capita, literacy levels and life expectancy

are all higher, on average, for blacks in South Africa than in the nations of black Africa. They attribute the difference to the limited experience of blacks with self-rule and they predict the same effect of such rule on South Africa.

They are undoubtedly correct.

The colonial powers no more equipped the blacks in their colonies for self-government than South Africa has trained hers. When Zambia became independent there were 100 college graduates and 1,000 high school graduates in the entire country. And in South Africa, white university graduates outnumber blacks 75-to-1 — in proportion to population, 300-to-1.

But the fact remains: For blacks in South Africa, social and economic advance is not an adequate substitute for political power.

U.S. policy should be based on the recognition that black nationalism in South Africa is a struggle whose eventual success can at most only be delayed, at immense cost, but clearly not permanently denied. Indefinite delay will only guarantee that at some point black resentment will erupt into widespread violence, supported by bases and arms outside the country.

The United States must make it clear to the whites of South Africa that in the face of such violence the United States will not support them against the blacks.

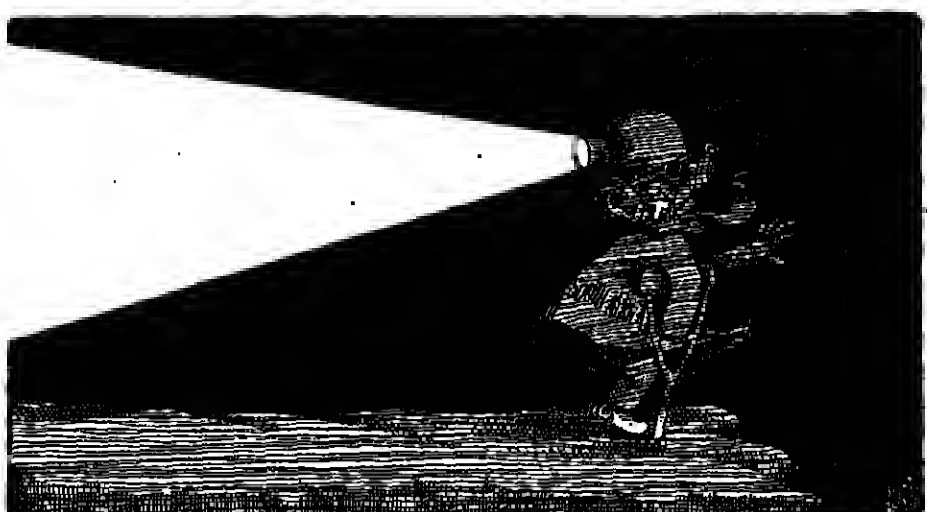
I recognize that South Africa's official reaction to such a position might well be to terminate its exports of the four key minerals it now supplies to the West: chromium, manganese, vanadium and platinum. These materials are essential to Western industry and defense.

In anticipation of such retaliatory action, the United States and the other Western nations should begin now to increase their stockpiles, to develop alternative sources of supply and to prepare contingency plans to share such limited supplies as would be available. Such a program would minimize the impact on the West of potential denial of these minerals.

The final battle lines have not yet been drawn in South Africa. Fundamental political change, without prolonged large-scale violence, is still possible. But time is running short, and the options are running out.

If what is left of the 1980s does not witness real movement toward sharing of political power — and the new South African constitutional proposals do not appear to provide for such power sharing — then South Africa may, I believe, well, become as great a threat to the peace of the world in the 1990s as the Middle East is today. In the matter at hand, to fail to act wisely now is only to ensure having to act desperately later.

The New York Times.



Turkey: How to Secure Workable Democracy

By Kenan Evren

The following comment by General Kenan Evren, Turkey's head of state, was written for the International Herald Tribune.

ANKARA — The new Turkish constitution will be submitted to the people's approval on Nov. 7. For nearly half a century the Turkish nation has resolutely maintained a determined struggle to establish firmly a viable democratic regime. Serious difficulties have been encountered during these long years of struggle. None of these difficulties, however, has shaken the faith of the Turkish nation in democracy.

Our efforts have always been directed at firmly establishing democracy, in the virtues of which the whole nation unitedly believes. The proposed new constitution symbolizes this sincere belief and desire.

The differences between the new constitution and the constitution of 1961 can be summarized as follows:

The new constitution, which does not deny any of the classical liberties, amplifies social rights and freedoms and thus will provide every citizen with peace and tranquility. It strengthens the state by furnishing its organs with the necessary authority, and by delineating their areas of duty and responsibility in a more correct manner. The parliamentary regime is thus reinforced and the institutions and procedures of democracy, which is undoubtedly the most virtuous form of government, have been rendered more viable.

None of the human rights and freedoms stipulated in international declarations and treaties has been omitted in the new constitution. Social rights and freedoms have been not only reinforced by enlarging their scope but have been clearly identified as the duties of the state.

All the classical rights and duties are under the guarantee and protection of the strictly independent judicial organs. The only freedom not embodied in the new constitution is the freedom to destroy freedoms. Like all free democratic countries, we too, refuse such a contradiction. We do not accept that a freedom can be invoked to eliminate other freedoms.

The supervision by the administrative authorities over the exercise of freedoms by individuals does not entail the use of an absolute and arbitrary power. Not only does the right of appeal against administrative authorities exist, but in addition these authorities themselves are obliged to submit promptly to the judicial organs any decisions they may take with regard to freedoms. The administration is not entitled to apply any sanctions that lead to the restriction of individual liberties.

Our new constitution thus clarifies the duties and powers of the state organs. This clarity brought to the exercise of powers and duties by the state in itself reinforces the state.

The sole purpose of the powers invested in the president and the council of ministers under the new constitution is to enable the executive branch of the government, which was rendered powerless by the 1961 constitution, to function again and purposefully in the light of the broad range of services expected from it as in every country. One can hardly suggest that the state truly exists in a country where the executive branch of the government is deprived of the means to take initiative.

In this respect, it should be pointed out that under the new constitution the judiciary continues to maintain its independence of the executive. The fact that some of the supreme judges are to be appointed by the president, from among candidates nominated by the institutions to which they belong, cannot be interpreted as a practice damaging the independence of the judiciary, particu-

In Palestine: Room for Debate?

By Mohammad Tarbush

The writer is an investment banker based in Paris and a commentator on Middle East issues.

PARIS — If brute force is not to be the only rule in the Middle East, then there is ever to be its chance, then care will have to be taken with language. It is high time.

Theodor Herzl, the father of modern Zionism, wrote in 1895, "World history is nothing but noise, noise of arms and of advancing ideas. Men must put noise to use." Today, in 1982, a Palestinian may be excused for judging that Israeli propagandists have had their way for too long.

Writing on this page on Oct. 14, a member of the Knesset, Goula Cohen, continued to talk about Palestine as if its people did not and do not exist. It is legitimate to question the good faith behind such language, and the willingness to coexist peacefully with us.

No, the evidence is that the Palestinian presence does not begin in the 7th century with Hijazi tribesmen subjugating the land of Israel, as the Zionist line pretends, but that it goes back to 3000 B.C. and the Canaanites, the first known settlers in Palestine.

It was not Arabs but Romans who in 135 A.D. destroyed Jerusalem and killed or deported most of the Jews. And when Zionist immigrants started arriving in Palestine at the beginning of the present century, the country had a population of 700,000 owning 98 percent of the land.

So soon after the massacre of Palestinians in Beirut last month, to dismiss the 1948 Israeli massacre of Palestinians at Deir Yassin as a "battle" is a load distortion of the documented truth. A member of the British investigating team, Richard Catling, reported that "sexual atrocities were committed by the attacking Jews; many young girls were raped and later slaughtered." Erskine Childers told in The Spectator how captured villagers were "paraded through Jewish quarters of Jerusalem to be spat upon, then released to tell their kin of the experience."

Mrs. Cohen justified the raid on the village of Deir Yassin by "too

many violent attacks on Jews." Indeed there had been attacks.

The context may be recalled. When Zionist immigrants arrived to create a Jewish state in a country where Jewish ownership of land was a mere 2 percent in 1918, their presence posed a real threat to the inhabitants. The process of settlement was characterized from the start by racial exclusivity.

Moshe Menzies, father of the Zionist Yehudi, wrote that he "could not stomach the daily preaching of 'our nation, our country, our birthplace' by our hyper-nationalistic, goyim-baiting, Zionist Hebrew teachers. Not one of the students at the Chelmsford Herzl was born in Arab Palestine. We all came to Palestine from Russia, Poland, Romania, Galicia, etc. etc. The hatred and contempt [for] goyim — Arabs, in our case — was irrational and inhuman."

The Palestinians had no place in Zionist plans. David Ben-Gurion said that "Israel is the country of the Jews and only of the Jews."

Such words were systematically translated into deeds.

In 1948, when the Deir Yassin massacre sent terrified civilians fleeing in the naïve belief that they would return to their homes and lands at the end of the hostilities, Jewish ownership of what is now Israel was still only 5.6 percent. But of the 370 kibbutzim and other settlements established between 1948 and 1953, 350 are on the sites of destroyed Arab villages, including Beit-Natf, my birthplace.

If, as one still hears claimed, destruction, expulsion or oppression of Palestinians were "Zionist aims, questions suggest themselves for honest debate.

Why are the emergency and defense laws of 1945 and 1949 still in force, giving the state the right to detain civilians "for any reason

whatsoever" for an unlimited period without trial and to expel them from the country and destroy or confiscate their property?

Why has Israel not heeded the United Nations, which since 1948 has called for the repatriation of Palestinian refugees?

Why were 18,000 Palestinian homes destroyed during the first seven years of Israel's occupation of the West Bank?

Why was the water supply systematically expropriated from Palestinian farmers so that by 1974, 50 percent of the cultivated land in the Jewish sector was irrigated, compared to 5 percent of the cultivated land in the Arab sector?

Why, 20 years after the creation of Israel, did 45 percent of the Palestinian population still not have access to electricity, when no Jewish settlement was without it?

Why do Palestinian workers receive less than half the pay of Jews for the same work?

Why is a Jew from anywhere entitled to Israeli citizenship and residence, when my compatriots and I, whose ancestors inhabited Palestine for centuries, cannot share in that fundamental privilege?

Can Palestinians be blamed for not having welcomed the arriving Zionists in their land?

Today there are more than 4 million of us dispersed around the world, active in all walks of life. We will not simply disappear. For better or for worse, then, our destiny has been interlocked with that of the Israelis, and the continuing conflict is of concern to all.

Many of us are willing to let bygones be bygones, and advocate the effective partition of Palestine between Jews and Palestinians.

But perhaps in their very reasonableness these moderate voices are the main threat to extremist Israeli politicians, who thus try to drown them out with distorted versions of history. It is the responsibility of friends of both sides to prevent that tactic from succeeding.

International Herald Tribune.

Reagan on Grain Is 'Blatantly Political,' and 'Also a Joke'

By Hobart Rowen

WASHINGTON — It would be hard to imagine anything more blatantly political than President Reagan's declaration that he is willing to sell to Moscow and guarantee delivery of up to 23 million metric tons of American wheat and corn.

"It's also a joke," says a Washington agriculture consultant, John A. Schmitzer, of the grain proposal. The Russians have an agreement now to buy up to 8 million tons of U.S. grain in the year that began Oct. 1. They don't need anything like 23 million tons from the United States — although American farmers, facing a 50-million-ton surplus over normal carry-over, would love to unload on the Russians or anyone else.

As the grain markets read it, says Mr. Schmitzer, who was undersecretary of agriculture in the Johnson administration, the Russians will buy a total of about 35 million tons of grain this season, and they will get most of that from producers other than the United States. Since the Carter grain embargo of January 1980 proved that the United States is not a reliable partner, the Russians regard it only as a residual supplier.

In response to Mr. Reagan's Cold War tactics, Mr. Schmitzer says, grain sellers dealing with the Soviet Union see "a new militancy" vis-à-vis the United States. For example, the Soviets are examining American cargoes more closely than before to check quality standards.

Thus the "guarantee" offered by Mr. Reagan that there would be no disruption in delivery of all 23 mil-

lion tons if the Soviets buy that much in November and ship it within six months appears to be sheer politics. As Mr. Reagan bustled the Midwest farm belt for November votes, he dangled this and other purported goodies as evidence of the help his administration is extending to farmers and their families.

Although it amounts to an empty promise, the idea that the president would offer a version of "contract sanctity" for grain sales to the Russians drives European sales up the wall.

Mr. Reagan's now familiar rationalization of the contradiction between his policy on the Siberia-to-Europe pipeline and his grain policy is that sales of natural gas to Europe

through the pipeline will add to the Russians' hard currency reserves, while the U.S. sale of grain acts as a drain on currency reserves.

Economist Jan Vanous demolished this argument in a recent article (IHT, Oct. 19) when he pointed out that the Soviets save vast sums of hard cash by buying grain cheaper from highly productive Western farmers than it would cost to produce it themselves on inefficient Soviet farms, thus enabling the Soviet economy to meet other production priorities, including guns and tanks.

Lately, the Reagan administration has been touting an additional reason to justify its anti-pipeline stand: the reported use of "slave labor." Not

only are the Soviets using prisoners of their own to build the pipeline, according to reports cited by Defense Secretary Caspar Weinberger, they are using anti-communist South Vietnamese dissidents shipped into the Soviet Union by Vietnam.

However, the administration has carefully kept references to slave labor out of Mr. Reagan's own speeches, which suggests that they do not have the rumors well enough pinned down. And if the administration which can turn its cheek to human rights violations in certain other parts of the globe — is offended sufficiently by the Soviet use of enforced labor, is that not a good reason for cutting off grain shipments, as well as supplies for the pipeline?

The Washington Post.

LETTER TO THE EDITOR

Turkish Perspective

Regarding "Supporting Repression in Turkey" (IHT, Oct. 16-17):

The article by Jeri Laber, executive director of Helsinki Watch, on alleged repression in Turkey is a typical distortion of facts by a typical knee-jerk liberal. Without a historical perspective of the events that brought Turkey to the brink of civil war before Sept. 12, 1980, when the armed forces intervened with the support of the vast majority of the Turkish people, Mr. Laber's account of the current state of affairs is at best lopsided.

As an independent Turkish journalist, I put to Mr. Laber and his like this question: Where were you when the most sacred and fundamental human right of the Turkish people, the right to live, was being so brutally violated by the terrorists and thugs whom you are striving to defend so righteously? I do not recall Mr. Laber or any of his associates, or Amnesty International, raising their voices to defend the victims of terror at that time. Since they were in default then, their objectivity is suspect.

I am not going to attempt a detailed refutation of the gross exaggerations contained in Mr. Laber's article. It is no secret that the Turkish government has indeed undertaken to eradicate terrorism and punish the culprits, with the full approval of the Turkish people, but this is done through independent means. Turkey, which in Poland is a gross injustice to the Turkish people. While repression in Poland is getting worse every day, Turks are getting ready to vote for a new constitution that will usher in a new era of democracy.

ALEMUR KILIC, Istanbul.

OCT. 25: FROM OUR PAGES 75 AND 50 YEARS AGO

1907: Panic on Wall Street
NEW YORK — Wall Street was again swept by financial storms, despite efforts to avert trouble and allay the public's fears. A meeting of bankers resulted in the decision to supply the Trust Company of America and any other solvent trust company with all cash needed to pay every depositor. Throngs of depositors waited all night outside the doors of the Trust Company, anxious to withdraw money. Long before the opening of business a tremendous crowd thronged Wall Street. Reassuring statements were circulated among them that there was money to pay every depositor, but they, recalling similar assurances made by the Knickerbocker Trust Company officials, stubbornly remained in line.

1932: Jobless Frighten London
LONDON — A thousand policemen, including mounted and foot contingents and flying squads in armored cars equipped with wireless, augmented by 150 special constables, guarded County Hall Westminster awaiting the scheduled arrival of a deputation of representatives of the unemployed, who were coming to make their demands for relief. As word was received that the delegation was approaching, sergeants hurried anxiously about, giving orders to stand firm. "Here they come!" shouted the crowd, and the deputation marched between long lines of policemen into the building literally swarming with "bobbies." The delegation consisted of seven men and three women.

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U.S. Arms Buildup Worries Europe but Survey Shows No Damage to Alliance

How Poll Was Conducted

In U.S., Western Europe

The International Herald Tribune-Atlantic Institute Poll attempts for the first time to measure public attitudes on key international issues simultaneously in both the United States and in several Western European countries.

To achieve this, the same questions were asked in all eight countries — Britain, France, Italy, the Netherlands, Norway, Spain, the United States and West Germany — during the last two weeks of September. Polling samples consisted of a cross section of adults, with national samples ranging from 900 to 1,350 people.

Interviewing was done by Louis Harris International through its offices in each country. The results were collated by Louis Harris France, whose director, Roland Cayrol, helped frame the survey. The results appear as percentages of the respondents who selected each answer. In some cases, multiple responses were possible.

The questions, which were developed by the International Herald Tribune and the Atlantic Institute, were phrased with an eye to bringing out varying views in different countries, particularly on divisive issues.

The survey was to find out whether public opinion shares the assumptions about trans-Atlantic relations that underlie recent public policy disputes about East-West relations, the competition for resources between defense and welfare, and cooperation among the allies.

The emphasis in this survey was on security problems, particularly questions of leadership and burden-sharing in the Western alliance.

The Atlantic Institute for International Affairs is a private, independent research center in Paris. More than 95 percent of its annual budget comes from private foundations.

Other organizations that helped finance the survey were the German Marshall Fund and the Commission of the European Community.

The survey was also supported by several European newspapers that contributed funds to the project and are also publishing the poll's findings. They are: The Financial Times in London, Le Matin in Paris, El Sole 24 Ore in Milan, NRC-Handelblad in the Netherlands, Aftenposten in Oslo, El Pais in Madrid and the Frankfurter Allgemeine Zeitung.

(Continued from Page 1)

bordering Warsaw Pact territory. The U.S. level of response (27 percent) was weak, but it still ranked as a top item of concern.

The anti-American exceptions were France and Spain. Nearly half of the French singled out U.S. economic policy, including high interest rates and the strong dollar, as the main threat to international stability. Spaniards were worried most about growing U.S. power.

Overall, Europeans, while generally sharing the worry over Soviet militarism, consistently identified U.S. policies as the second most dangerous source of instability. The U.S. military buildup was the second-ranked worry in Britain, West Germany, the Netherlands and Norway. Anti-Soviet policies by the United States was the second-ranked worry in Italy.

Top professional groups in the United States express stronger criticism of European neutralism (23 percent) among upper management compared with 14 percent among blue-collar workers.

Without comparative data from earlier polls, there was no proof that the support of better educated, professional class Americans for cooperation with Europe was declining. In the Tribune-Atlantic Institute poll, 40 percent favored this support. Other polls have suggested that this support is declining.

Similarly in Western Europe, better educated, more influential West Germans were more critical of U.S. policies than others (44 percent compared to 24 percent

criticized "U.S. aggressive policies toward the Soviet Union").

In Britain, the biggest contrast reflected party allegiances. Conservative Party members worried much more than Labor Party members about the Soviet arms buildup (41 percent to 27 percent). Members of Britain's new Social Democratic-Liberal alliance, while staunchly pro-NATO, led all groups in worry about U.S. anti-Soviet policies (31 percent, just behind the Soviet arms buildup).

The poll also suggested that European countries are divided on many issues. While France, Italy, Spain and West Germany supported greater European economic unity, Britain and Norway both had negative reactions to the Common Market. Nor was there significant support for greater European defense cooperation.

The eight-nation poll involved asking the following questions of a cross section of people in each country:

Which of the following are your greatest concerns for yourself and your country today?

The pattern of responses showed much greater concern over everyday problems than over strategic issues.

Unemployment led in all countries except Italy, where crime was equally troublesome. Regardless of age, occupation or political affiliation, an overwhelming majority of men and women listed unemployment as their main concern. Least worried were the Norwegians (30 percent) and Americans (42 percent).

Crime, followed at a distance by

inflation, was the other main domestic worry.

Nuclear weapons emerged as a serious worry in Britain, the Netherlands and Norway. The threat of war, apparently a related concern, ranked high in France, Britain, Norway, Spain and Italy.

Concern about inadequate defense was low everywhere, apparently reflecting a feeling among most people that they were protected from military attack.

Foot political leadership and the energy crisis were not major concerns anywhere. Excessive government spending was a problem only in West Germany.

Which of the following are most responsible for international tensions?

The Soviet military buildup led in all countries except France and Spain. It was listed as a worry by 57 percent of the Norwegians and also was cited by West Germans (55 percent), Dutch (38 percent), Italians (37 percent), British (33 percent) and Americans (27 percent).

Despite the anti-nuclear protest movements in all these European countries, Soviet military policies were a major worry of more than one-third of the people.

U.S. military policies, or U.S. "aggressive policies toward the Soviet Union" or "superpower activities in the Third World" were ranked as the second biggest worry in every country except the United States.

Nearly half of the French singled out U.S. economic policy, specifically interest rates, as the biggest concern. But U.S. economic policies were listed as only a minor concern in other European countries.

In Spain, U.S. policies toward the Soviet Union, U.S. military policy and superpower activities in the Third World were the top worries.

Insufficient European unity did not appear to cause much concern, and worries about European neutralism or pacifism were totally rejected. In the United States, less than 20 percent of Americans included these points in their lists of causes for concern.

Which of the following are most important to Western security?

Americans and West Germans by far margins and Britain by a small margin stressed effective U.S.-European cooperation, making it the most popular policy option.

For example, 36 percent of Americans cited it while only 25 percent listed continued dialogue with the Soviet Union, the next most popular goal.

Strengthened European economic unity was favored by the French, Spanish and Italians; all three countries benefit substantially (or expect to) in the case of Spain) from Common Market subsidies.

An unexpectedly strong minority in the United States joined Eu-

ropeans in citing productive arms control talks as an important element of security. U.S.-Soviet contacts — a version of détente — seems to have more support in the United States, where it was the second-ranked item, than in Europe, where it rarely ranked above fifth place in national lists of stabilizing developments.

Is the United States shouldering its fair share of the burden of Western security?

"Too much," replied 66 percent of the Americans.

"About the right amount," said most of the Europeans, with the breakdown as follows: West Germans, 61 percent; Britons, 33 percent; Norwegians, 57 percent; Dutch, 47 percent; and Italians, 40 percent.

Most Spaniards agreed that the U.S. role was disproportionate. More than one-third of the French had no opinion, but leftists said that the United States was doing too much.

Is Western Europe shouldering its fair share of the burden of Western security?

"Not enough," replied 68 percent of the Americans.

Most Europeans replied "about the right amount." In West Germany, this represented 59 percent, in Norway 58 percent, and in the Netherlands 51 percent. A pair of European countries agreed with the U.S. view of urging Europe to do more for the alliance; they were France (36 percent) and Britain (42 percent).

In Spain, 38 percent said Western Europe was doing too much for Western defense.

How would you describe the U.S. role on behalf of Western interests?

West Germans had the most positive reaction; they led all countries in describing it as "essential" (46 percent), followed by Norway, the Netherlands and Italy.

In most countries, the second most frequently used description of U.S. policy was "interfering." In the Netherlands, 30 percent used this term, in France 22 percent, followed by Italy, Britain and Norway — and even the United States.

The preferred term of Americans for U.S. policy in Europe was "inconsistent." More than a quarter of the Americans used this term, making them more critical of U.S. policy in this respect than Europeans.

How would you describe the European role on behalf of Western interests?

Americans were the most critical: 24 percent labeled European behavior "inconsistent" and "insufficient."

The Britons, French, Italians and Spanish agreed that the European role was "insufficient."

West Germans, the Dutch and Norwegians deemed Europe's role to be "essential," while only 9 percent of the Americans thought so.

QUESTION: Which of the following are most important to Western security?

The table shows national averages and breakdowns of percentages of people in each political party, who listed each item. Multiple answers were possible so the total of percentages may exceed 100.

	24	25	22	16	19	21	22	13
Conservatives	30	33	19	18	23	23	28	8
Labour Party	21	21	22	12	16	19	17	17
Liberal-SDP Alliance	25	20	23	16	19	24	22	10

	18	25	27	42	15	37	21	15
Communists	17	14	23	32	25	51	14	10
Socialists	19	21	32	44	16	40	19	13
Green Party	19	34	21	46	13	29	29	12
Neo-Gaullists	17	41	21	46	15	29	28	13

	15	27	16	30	16	23	29	10
Communists	11	18	16	33	29	25	25	6
Socialists	19	19	19	47	26	26	22	5
Christian parties	21	48	19	43	14	30	46	2
Christian Democrats	17	38	17	23	9	19	24	11

	23	21	17	20	22	49	10	7
Christian Democrats	28	28	11	20	23	42	10	6
Labour Party	18	13	22	20	25	53	6	8
Liberal	36	30	11	20	18	44	16	2
Democrats 66	29	20	17	23	24	46	16	5

	28	24	19	14	28	34	5	6
Labour	24	25	17	16	33	29	4	7
Progress	51	30	22	8	14	27	4	2
Conservative	36	28	16	14	25	35	6	2
Christian Democrat	19	37	14	17	14	27	1	6
Left Socialist	23	6	43	5	25	59	1	—

	7	12	22	44	12	21	16	19
Left, extreme left	11	8	27	43	20	28	12	18
Center left	7	15	28	48	17	23	17	13
Center	8	17	22	47	10	17	17	20
Center right	2	18	23	53	14	21	16	7
Right, extreme right	12	24	22	38	5	21	25	18

	21	36	25	20	25	21	24	13
Republican	23	37	23	22	27	19	22	8
Democrat	20	34	26	20	25	23	24	14
Independent	22	41	27	19	25	23	25	10

	37	53	21	35	33	36	26	2
Christian Democrat - Christian Socialist	45	62	17	41	29	35	29	1
Social Democrats	34	52	26	29	36	29	26	3
Free Democrats	39	60	32	38	27	43	18	—

* These percentages are to be interpreted with caution because the samples are small.

Americans Hold a More Homogeneous View

International Herald Tribune

PARIS — Revealing patterns of national response emerged from the poll.

U.S. public opinion also appears to be unique in its homogeneity. In breaking down replies by sex, occupation and political party, there were few wide disparities, suggesting that Americans tend to form a cohesive body of opinion.

By contrast, European views vary sharply with professional category and, above all, party affiliation.

In the United States, the only significant variations show up when answers are broken down by age group. Americans aged 25 to 34, for example, emerge as more liberal than older or younger groups. They are less worried about crime or excessive government spending than their elders, but they worry more about the threat of war and about Soviet and U.S. military policies.

In general, however, the poll disclosed a discernible "American opinion" overriding all affiliations and categories.

European opinion, on the other hand, polarizes strongly by political party and by social category, which often overlap.

Although not uncritical, European leftist groups take a more tolerant view of the Soviet Union than other political groups do. In France, for example, the Soviet

military buildup worries 30 percent of neo-Gaullists, 24 percent of Socialists, 18 percent of Communists and 13 percent of Democrats.

Conversely, U.S.-European cooperation is sought by 41 percent of neo-Gaullists, 34 percent of Socialists, 21 percent of Communists and 14 percent of Democrats.

Similar left-right contrasts emerged in Britain, Italy, the Netherlands and Norway. In Britain, a third of Conservatives worry about the extension of Soviet influence compared to 9 percent of Laborites.

Characteristically, in West Germany, the poll indicated that 62 percent of the Christian Democrats favored cooperation with the United States, compared with 52 percent of Social Democrats. A third of the Socialists worried about "U.S. aggressive policies," compared with a fifth of Christian Democrats.

Nearly half of West Germany's Christian Democrats seek military balance with the Soviet Union, compared with one-third of the Socialists. The Free Democrats, which grouped other small parties, spoke out against both superpowers.

By contrast, in the United States, party affiliation did not significantly change views on East-West questions. The Soviet military buildup was the leading

source of international tension for all political groups. 30 percent of Republicans, 27 percent of Democrats and 27 percent of independents.

Another example of left-right cleavage in Europe arose over arms control, which is generally more favorably viewed on the left by significant margins.

The exceptions were West Germany, where small parties showed the strongest preference and Socialists reacted sluggishly, apparently because they were opposed to the realistic prospects for disarmament.

Britain showed a similar pattern of skepticism about arms control on the left. The reactions of Americans varied little by party.

The issue over which Socialists usually broke ranks with Communists was the support by Socialists for greater European unity.

The level of concern about security issues varied widely from country to country, as shown positively in the frequency of responses and negatively in the number of "don't know's."

West Germans, rated in this way, are much more concerned than any other nationality, perhaps because of their country's vulnerable situation.

More than one-third of West Germans worry about international tensions stemming from the Soviet military buildup, lack of Euro-

pean unity and U.S. military growth. No other nation listed more than one international issue as a cause of concern to as much as one-third of its people.

Americans answered volubly. The United States was the only country where people were willing to answer a long questionnaire by telephone. But U.S. concerns — except for a feeling that Europe was not paying its way in defense — lacked the strong focus of West Germany on East-West tensions or France on the role of the dollar.

Overall, the least responsive were the French, and particularly French women, who consistently led all countries in rates of "no opinion." Pollsters said that French opinion has traditionally shown a low interest in foreign affairs.

Throughout the poll, there were noteworthy similarities between the replies from France and Spain and to a lesser degree Italy. This pattern suggests a community of interests and views among southern European countries.

The United States and West Germany, despite their highly publicized recent political differences and a greater degree of disenchantment among better educated, professional-class West Germans, corresponded strikingly in consistently stressing the need for Western cooperation on security issues.

— JOSEPH FITCHETT

U.S. Aide Offers Alternative to Social Security

By Spencer Rich

Washington Post Service

WASHINGTON — In a book published last week, a White House policy adviser says the Social Security system should be dismantled and replaced by compulsory private insurance and individually held bank retirement plans.

The author, Peter J. Ferrara, is an adviser in the Office of Policy Development. He argues that channeling the money into the private economy through insurance and the plans, known as Individual Retirement Accounts, would help stimulate investment and economic growth.

By enlarging the economy in that fashion, he says, an individual's income at retirement age would be far larger than the amount one can now expect from Social Security.

The White House was quick to state that the views expressed in

the book do not represent White House policy, and that the book, based on an earlier one Mr. Ferrara wrote two years ago, was in preparation when he joined the White House staff.

Kevin Hopkins, a spokesman for the Office of Policy Development, said that before Mr. Ferrara joined that office as a senior policy adviser, he worked as a special policy assistant at the Department of Housing and Urban Development.

Mr. Ferrara played a major role in drafting one of the president's enterprise zone proposals to help revive impoverished and minority neighborhoods, Mr. Hopkins added. He declined to arrange an interview with Mr. Ferrara.

Mr. Ferrara's views were first expressed in a book, "Social Security: The Inherent Contradiction," published by the Cato Institute. The Heritage Foundation published a shorter version on Sept. 10 called "Social Security Reform."

Another presentation of the author's views is contained in the book published by Cato last week called "Social Security: Averting the Crisis."

The key to Mr. Ferrara's system is the assumption that it would stimulate the economy so much that people would retire with more money from the Individual Retirement Accounts than they could have gotten from Social Security.

Calculations of this type, however, have been challenged by economists on grounds that too high a real rate of interest is assumed, that there is no assurance that individuals will choose the right stocks, and that the market as a whole might end up failing to keep up with inflation, as has been the case over the past 10 years.

In the book, Mr. Ferrara argues that the current Social Security system of payroll deductions robs the economy of needed investments.

Mr. Ferrara proposes that the formula for calculating the initial benefits of persons ready to retire be changed eventually to reduce the amount they would receive.

He also suggests that such Social Security programs as benefits for dependents and payment of increased benefits to low-income recipients eventually be removed and handled through welfare programs.

His basic proposal, however, is that Social Security be phased out and that younger workers be required to set aside a portion of their income, perhaps equivalent to what they would otherwise pay in Social Security taxes, to buy insurance, stocks, bonds and Individual Retirement Accounts. The insurance protection and retirement savings would be substitutes for Social Security retirement, survivor, disability and Medicare benefits.

Many Cambodian Refugees Leaving Thailand

Inspired by Sihanouk and Bored With Camp Life, They Head Home

By Colin Campbell

New York Times Service

ARANYAPRATHET, Thailand — At a bamboo temple in a Cambodian refugee camp north of here, a man in his 50s waited with six other members of his family to be taken by Thai soldiers to a village on the Cambodian side of the border.

The refugees, who had been in the camp, Khao I Dang, since 1979, had decided to follow the example of many other refugees and move from Khao I Dang across the border to a Cambodian village near Samrong.

He had decided on the step after hearing Prince Norodom Sihanouk, the former Cambodian ruler, speak movingly, in a visit to Khao I Dang in July, of reclaiming Cambodia from Vietnamese domination. The man seemed happy to be going back to his own country.

The village the refugee was headed for, a cluster of settlements named O'Smach, is now known as Sihanoukville, and it is the headquarters of an insurgent army, known as the National Army, that is loyal to the prince.

While he was head of state from 1960 to 1970, the prince had given the name Sihanoukville to the nation's main seaport, since then renamed Kompong Som.

A monk at the temple provided a favorable picture of conditions at

the new Sihanoukville, saying he had been there several times, accompanying elderly refugees. He said it was easy to grow rice there, that corn, pumpkins, eggplants and bananas were also being planted and that new houses were being built.

But a Cambodian encountered outside the temple said he had heard it was difficult to grow rice at Sihanoukville. Yes, he said, as many as 15,000 people had decided to go to O'Smach after Prince Sihanouk's visit. But their numbers are now trailing off, he added, and thousands have changed their minds.

The Cambodian said that about 6,000 refugees had made the trip from Khao I Dang to Sihanoukville, where about 14,000 people are now said to live. He said that those who had left Khao I Dang had done so because they had grown sick of the camp's restrictions, tedium, quarrels and confinement.

He also said he had heard that at Sihanoukville the new settlers were prohibited from cutting down big trees, which help conceal the village from Vietnamese spotters planes. Worst of all, he said, the village has been hit even during the rainy season by 130 Vietnamese rockets.

Western diplomats and aid officials have also expressed concern over the safety of the people at

Sihanoukville. They also fear for the safety of an estimated 300,000 other Cambodians in a string of villages and unofficial refugee camps along the border — settlements that, like O'Smach, often harbor Cambodian insurgents prepared to fight the Vietnamese.

Such fears have grown as the dry season has approached. By next month, and certainly by December, the firm roads that favor tanks, trucks and heavy artillery are expected to allow the Vietnamese to stage attacks, as they did last year, on positions held by

thousands of anti-Vietnamese troops.

Nguyen Co Thach, Vietnam's foreign minister, said in Paris recently that he did not expect that Vietnam would launch an offensive in the dry season. But, he said, no one could know what Vietnam's enemies would do.

Those enemies include about 30,000 guerrillas of the deposed Pol Pot regime, 5,000 troops of Son Sam's Khmer People's National Liberation Front and perhaps 3,000 members of Prince Sihanouk's military faction.

Despite the denial by the Mr. Thach, Thai and American intelligence sources say they believe the Vietnamese are planning a dry season offensive.

The informants say the Vietnamese have added new T-54 tanks, 130mm artillery pieces and a light, advanced model of the AK-47 assault rifle to their stock of arms in Cambodia. The Vietnamese also reportedly did not withdraw troops, as they announced they would last summer, but are merely said to have retired some units and sent in fresh ones.

Chinese Defector To Go to Taiwan

United Press International

RECENT ISSUES

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STRAIGHT BONDS.
All Currencies Except DM

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EN Europe Invest Bank	7/2	Nov	10/17	11/16	9/10
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EN Europe Invest Bank	9/4	Jan	10/17	11/16	9/10
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EN Europe Invest Bank	7/17	Nov	10/17	11/16	9/10
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EN Europe Invest Bank	8/30	Dec	10/17	11/16	9/10
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EN Europe Invest Bank	2/5	Jun	10/17	11/16	9/10
EN Europe Invest Bank	3/6	Jul	10/17	11/16	9/10
EN Europe Invest Bank	4/7	Aug	10/17	11/16	9/10
EN Europe Invest Bank	5/8	Sep	10/17	11/16	9/10
EN Europe Invest Bank	6/9	Oct	10/17	11/16	9/10
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EN Europe Invest Bank	9/10	Jan	10/17	11/16	9/10
EN Europe Invest Bank	10/11	Feb	10/17		

HIGHEST YIELDS
to Average Life Below 5 Years

World Feeds Overseas	5/34	76 Nov	45	21.08	26.94	12.78
And Mining Dev Bank	9/12	76 Mar	71	14.48	24.67	1.97
Africa	8/12	76 Mar	71	14.48	24.67	1.97
Petroleum	8/12	76 Dec	75	14.48	23.83	1.15
Pakistan	8/12	76 Sep	76	14.01	23.02	1.14
Peru	8/12	76 Feb	76	14.01	23.02	1.14
H&I Seasonal Gross	8/12	76 Nov	75	14.01	23.02	1.14
Paraguay	5/24	76 Jun	85	14.73	24.67	4.36
Tanzania	5/24	76 Jun	80	14.73	24.67	4.36
Thailand	5/24	76 Dec	87	14.73	24.67	4.36
Cornfed Fed Electr	7/14	76 Nov	44	21.08	26.94	12.78
Twenty Mixed Concrete	2/14	76 Oct	47	14.73	24.67	11.88

HIGHEST YIELDS
to Average Life Above 5 Years

Parkies	11 1/2	98	Jul	69	21.30	21.64	14.67
Parsons	8 3/4	97	Dec	61	17.45	19.47	14.44
Dormant Alice Fin Etc	5 1/2	97	Jul	61	14.81	16.14	13.28
Howe Petroleum Ltd	10	94	Jul	65	14.67	14.14	13.38
Macdonald Blaseel	9 1/4	94	Feb	65	14.32	13.87	14.68
Macdonald Grey	10	94	Feb	68	14.32	13.85	14.71
Garthor	14 3/4	94	Jan	73	17.34	17.35	14.48
Garthor	14 3/4	97	Apr	89	17.12	17.35	14.48
Controlled-Bathurst	5	93	Oct	65	16.06	17.26	13.24
Nyabing Bay	10 1/2	98	Apr	74	16.70	17.27	13.82
Light Services Brazil	8 1/2	98	Jan	75	16.47	17.27	13.25

- HIGHEST CURRENT YIELDS -

1741	Thermal Resistant P-Cu	7/12	78	Nov	97	87.44	34.58
1742	Thermal Resistant P-Al	7/12	78	Nov	97	87.44	34.58
1743	Metals	7/12	78	Jul	95	121.24	39.58
1744	Metals	7/12	78	Mar	95	22.81	79.08
1745	Plastics	7/12	78	Nov	94	17.23	18.97
1746	Corros Petroleum Lqd	16/12	78	May	75	19.34	38.89
1747	Corros Petroleum Sol	16/12	78	May	75	19.34	38.89
1748	Gasol	11/12	78	Oct	94	17.12	11.59
1749	Print Oil Gaseous	13	78	Apr	195	14.92	16.28
1750	Print Solvent-Sealac	14/24	78	Oct	193	13.99	16.28
1751	Revised Lqd	11/14	78	Dec	198	15.08	16.44
1752	Corrosion I Material Slt	15/24	78	Jan	198	15.34	16.44

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DOM STRAIGHT BONDS

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(Continued on Page 14)

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Marketmakers in Eurobonds **WestLB**

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OCTOBER, 1982

AMERICAN FASHION

Competition Makes Fashion An Increasingly Small World

By Hebe Dorsey

NEW YORK — As publisher of Women's Wear Daily, John B. Fairchild has been very much at the center of the fashion scene. Once a dull, strictly trade publication, WWD has become much more than a tool for the keenly fashion-oriented Fairchild to rev up excitement in the lives of merchants, designers, manufacturers and fashion plates, who all read him avidly.

Day in, day out, WWD delivers the serious news as well as the crazy fluff that surrounds the fashion world. A master at the backstage power game, Fairchild stays away from the parties and fashion events WWD faithfully reviews. In a rare interview in his New York office, he gave his opinion about fashion in general and American fashion and its place in the world.

The first mistake, Fairchild thinks, is to approach fashion country by country. "Fashion is all one," he said. "We don't look at it as coming from Italy or from Paris or from the States. We look at it in terms of designers. There's probably 10 designers in the world who give us news, excitement, 10 people whom we look to and watch very, very carefully. The trends are all coming closer and closer together. It's become a very, very small world. What Perry Ellis does in New York could be done in Paris or Italy at the same time. And they all watch each other like hawks."

But is that good or bad?

The answer is that it is neutralizing fashion "so that it becomes sometimes quite boring."

"For example, some designers are making clothes that I would classify as bodycovers — just clothes and they are of no interest. All the exotic, all the raciness, all the femininity is going out of some of these clothes. Yet they're the big sellers."

Asked why, Fairchild said: "Well, because I think people are interested in fashion but they'd rather go to something they're sure of. People are not sure of the avant-garde. Part of the problem is that we are in very difficult times, people are not spending money just to buy a whim. They have to be very, very careful. The designers are responding to the needs of the public and are being very cautious. I think that, too, is end-

ing in boredom. But watch out, we're going to get some radical things again, some life from Paris."

He said Paris still has "the daring quality."

"I'm talking of somebody like Saint Laurent, even Ungaro and even somebody whose clothes I used not to like very much, Thierry Mugler. All have daring quality, and this is still very important to fashion. I think that St. Laurent was very, very daring to do the collection he did. Sheer luxury, and it's a complete change in fashion because it brings back the shape. Certainly an extravagance that no other designer could afford to dare to do. It's true of Valentino, too; he dares to do things that are different, luxury for the sake of luxury. I think fashion always has to have an element of that."

Although business is very tough in the United States, Fairchild said, designers who are doing things out of the mainstream seem to be doing well. "Although the middle of the road market has collapsed by 25 percent, designers' clothes are up by 5 percent or 10 percent," he said. "But then, designers' clothes are relatively more expensive. So I think what's happened is that the expensive clothes have held up fairly well because people with money have not been hit by that so-called depression. I'd say that here Perry Ellis is doing well. Norma Kamali is doing very, very well and she is certainly out of the mainstream. Otherwise, she is one of the world's most important designers today. Now, there's an example where an American is influencing the Europeans."

Asked when the trend changed and when did American designers become conscious that they had something to offer, Fairchild answered: "I think Americans have always had confidence but things turned around in the 60s, when everybody was looking into that idea of youth, everybody wanted to be young. When it comes to youth, you must admit that Americans have cornered the market and American fashion is definitely younger than European fashion."

However, Fairchild does not see Americans influencing Europeans in terms of basic trends. "It's more the spirit of American clothes, a certain practical-

(Continued on Page 12S)



THE AMERICAN LOOK

A sample of American design in recent years: from left, an asymmetrical snap trench coat from Bill Blass, sportswear for men from Ralph Lauren, a dress by Perry Ellis and Calvin Klein's simple dress in pale suede.

On New York's Seventh Avenue, the Traffic Jams Are Vertical

By Bernadine Morris

NEW YORK — Almost as soon as they are off the runway, the mannequins have shed the glittery evening outfits of the show's finale, slipped into their raincoats and jeans and are ready to leap into the first elevator that stops on the floor.

Right on their heels are the knowledgeable store-buyers and press people who know that a minute too late and they will be caught in such a wild crush it will take them half an hour to get out of the building.

The traffic jams on Seventh Avenue are vertical. Not that it is easy to hail cabs or go across town. But the biggest crushes are in the elevators. With fashion showings in season — and there are many seasons — scheduled every hour on the hour, starting at 9 A.M. and continuing through 5 P.M. or 6 P.M., a form of gridlock sets in as the audience of several hundred tries to move one floor up or down.

Once it was possible to use the staircases, but now, with security measures in force, the stairwells are usually locked. Thefts of merchandise and even attacks on individuals are not unknown. Bathrooms are invariably locked.

Every fashion show regular has devised ways to beat the system, such as taking an elevator that is going up when the next showing is a few floors down. And everyone has stories about missing an important showing because the rooms were so crowded the elevator refused to stop at that floor.

All this occurs because, despite the thousands of companies who crowd New York's garment district, everyone wants to be located in one of two buildings with the most prestigious addresses, either 550 Seventh Avenue, near 40th Street, or 530 Seventh Avenue, one block to the south at 39th Street.

There are a few acceptable outposts: Perry Ellis has established his showroom one block north and across the street at 575 Seventh Avenue; Calvin Klein and Anne Klein occupy lofts at 205 West 39th Street, around the corner from 550, and Mary MacFadden on 35th Street, near Eighth Avenue.

But most of the best known names in American fashion are in the two high-rise buildings. A sampling: at 550, Pauline Trigere, Ralph Lauren, Geoffrey Beene, Bill Blass, Ralph Lauren, Oscar de la Renta, Giorgio Sant'Angelo. Holding forth at 530 are Mollie Parnis, Adele Simpson, Kasper, Albert Nipon,

Adri, Vera Maxwell, among many others. Should one company vacate its premises, a hopeful is ready to take its place.

The garment district was once more diffuse, running from Seventh Avenue to Eighth Avenue, from 35th Street to 40th Street. Snobbery and convenience mingled to give the two Seventh Avenue buildings their present desirability. Everybody wanted to be in the same building as the successful companies. The late Norman Norell made 550 chic. In turn, this made it convenient for store buyers, who could place a whole season's orders without stepping out the door of the building, or simply by going one block down the street.

The garment district has always been an integral part of New York City, starting as small tailoring establishments on the lower East Side, where the Jewish and Italian immigrants settled before the turn of the century. As the city moved north, so did the fashion manufacturers who needed more space as their businesses grew. Lower Fifth Avenue and Madison Avenue were stopping off points before the manufacturers arrived on the West Side in the 1930s, where they have remained since.

By the beginning of World War II, when U.S. fashion came into its own, the garment district was bounded on the south by the fur manufacturers and on the north by Times Square. There have, of course, been changes in recent decades. The workrooms are no longer staffed mainly by Jews and Italians. Hispanics, Orientals and blacks are now almost as prominent.

While the showrooms, design studios and shipping rooms are located on Seventh Avenue, the actual sewing takes place in lofts on the side streets or in factories as distant as Hong Kong. The designers are no longer anonymous employees who spend their time adapting styles made in Europe, or offered by the competitor down the hall. Most of them strive for originality, own their companies and have their names on the door of their salons as well as on the labels of their clothes.

To accommodate the crowds of 1,000 or more who come to the major New York showings in April for clothes for the fall and winter season and, to a lesser extent, in October for spring, the major manufactur-

(Continued on Page 12S)

Fashion Celebrities Share a Variety of Interests and Lifestyles

WHEN interviewed last April, Ralph Lauren, who already sells in Europe, at Browns in London, was about to sign with an Italian firm to distribute in Europe. He said then: "I think we'll start in about six months. That would include mostly menswear, and later womenswear and children."

The day he was photographed Lauren was wearing overalls — "usual for me, I'm always in jeans" — and a blue polo shirt. (Photographs second page.)

"In Europe, they know me as the cowboy who does that prairie look, which is all right, but I make a tweedy, English look, which is more sophisticated," Lauren is also interested in home furnishings, which will be very Americana in spirit. In September he introduced a log cabin, furnished with the appropriate artifacts, at Bloomingdale's exhibition on "America the Beautiful."

Nothing unsophisticated about Lauren's business figures: "This year we'll do between \$250 and \$300 million in licensing, plus \$95 million with our Polo line. I expect to make \$100 million from home furnishings in the next few years."

Lauren, who won eight Coty fashion awards, owns a ranch in Montana and just bought his own jet plane, but he insists he lives as quietly as he can, runs every morning and spends as much time as he can

with his family — he has three children — and friends.

Perry Ellis started with a master's degree in retailing, went on to become a sportswear buyer for a store in Richmond, Virginia, and has had his own house for only four years. Known for his so-called Slouch Look, he has made his mark with clothes that do not look designed but like they have just been put together. He describes his style as casual. His menswear, started a year ago, is also proving a phenomenal success.

Not a trendy, he does not go with the fashion flock. Ellis has a secluded house on Fire Island, New York. He also lives in New York, on the once unfashionable and now ultrafashionable West Side, where he has just bought a house.

Calvin Klein, who once said, "It's easier to get to the top than to stay there," should have no problems. His company is close to the \$1-billion mark. Not bad for a man who started as a \$75-a-week coat designer.

Born in the Bronx, Klein knew very fast he wanted his own business. He got help from a friend, Barry Schwartz, who lent him \$2,000 so he could prepare his first collection. Schwartz, of whom Klein says, "The reason of my success has to be Barry," is now the firm's business manager.

A favorite of Jacqueline Onassis, Liv Ullmann, Pat Buckley and Lauren Hutton, Klein is known for elegant, simplified sportswear in beautiful fabrics and subtle colors. But things are changing. With his new collection, to be shown next Friday, Klein is going into a more refined, couture, European look, which is not surprising, considering he just hired Marina Schiano, who long represented Yves Saint Laurent in New York.

Klein has the physique of a movie star and seriously works at it. He has two gyms, including a \$60,000 one right in his workrooms. He lives lavishly, drives a Rolls-Royce and has houses in Connecticut, Fire Island, Key West, Fla., plus a new penthouse on Central Park West, which he designed himself.

Oscar de la Renta, who was born in Santo Domingo, the youngest of seven children, first wanted to be a painter in Madrid, then learned the fashion trade in Paris, with two giants of the old-time couture, both Spanish, Cristobal Balenciaga and Antonio del Castillo. Of the latter, de la Renta said, "He loved me because I spoke Spanish."

De la Renta came to New York in 1962 where he first started working for Elizabeth Arden, then opened his own business in 1965, which has now blossomed into menswear, shoes, furs, sheets, umbrellas, eyeglasses and lately a very good perfume. De la Renta delivers opulent clothes with instant glamour but "my clothes are not as expensive as they look," he says.

De la Renta is married to a Frenchwoman, Françoise, a former Vogue editor, who has done a lot to build a chic halo around him. Their house in Connecticut, and their fin-de-siècle apartment in Manhattan, as well as their chic soirees, where they entertain everybody who is anybody in the arts, letters and politics, are often full of his clients, such as Nancy Kissinger, Lee Radziwill and Marjorie Agelli.

Halston, tall and handsome and always dressed in nurleneck black sweaters, came from the Middle West and started as a hat designer for Bergdorf Goodman. By the end of the 1960s, as the hats business was waning, Roy Halston Frowick tried launching his own collection at Bergdorf, in the hope of capturing a niche between couture and sportswear.

Soon after, he opened his own business and in a new shop on 68th Street showed his first collection. His first client was Mrs. William (Babe) Paley, and his second Mrs. Charles (Jane) Engelhard, both pillars of the best-dressed list.

(Continued on Page 10S)



RALPH LAUREN's prairie look for young Americans.

TOM WOLFE

Enough of the Kite Look and the Wino Look... What About Fit?

NEW YORK — I don't want the presses or the Compugraphic machines or the puff-puff winds or air kisses or whatever it is that prompts the fashion press to come to any wrenching halt over this — but I have a prediction.

Within two years all the major fashion houses, for women and men, will be making and promoting clothes that fit. You (or yoo-hoo care about these things) will be hearing about fit and worrying about the close-fitted look until your armholes wrinkle at the mention of the term.

By "fit" I am not talking about the current pathetic gesture of occasionally slipping in dresses or jackets at the waist. I am talking about clothes that actually fit.

"What on earth is the man talking about?" one may be saying. For today there are grown women and men who were born too late to have even the faintest recollection of the days when all clothes, for people much over the age of 10, were expected to fit.

"Fit" was the word used for that aspect of a dress or jacket, for example, that caused it to look as if it had been made for the person wearing it. An odd notion, you may think. Nevertheless, that is the way it used to be.

I can remember visiting the House of Dior in medieval times — 1964, it was — when that firm still made its living selling close-fitting clothes one by one to wom-

en with wealthy husbands. When the models came down the famous runway at Dior, there were actually women in the room who intended to buy the outfits they modeled and not just fashion writers with beach boys in tow to escort them to expensive-southern restaurants or la Comtesse Muffat's cocktail party for Kenzo.

A single dress or outfit might cost \$2,000, \$4,000 or a great deal more. Even a miserable \$2,000 was a lot of money in 1964. Much of the high cost was due to the unseen inner construction of the garments, the linings, padding, and innumerable darts. All of this superstructure was devoted to fitting not only the waist — the easiest mark of all — but the entire thoracic cage, the back, the bust, the armpits, arms, hips, the works.

The only vestige of a good fit known to women today is the fit of jeans or other pants over the *mons pubis* and the *derriere* to achieve the look known as "cleaving the declivities."

Good fit was a casualty of the boom of the late 1960s and the arrival of funny money, super money, other people's money, leveraged positions, franchising and chain outlets.

Chain outlets: When the great fashion houses found they could mass-produce their garments and sell them for 50 percent of the custom-made price at chain outlets, that was the end of clothes that fit.

A chain outlet is a store or space in a department

store on Madison Avenue, Rodeo Drive or some other American street where women with a limit of more than \$500 on their credit cards roam. The store is staffed with impudent young women with grumpy arching their nostrils. The Americans naturally conclude that they are French.

But this business of fit presented a nasty problem. There was no way one could make an outrageous profit in America, with or without salesgirls of Parisian repulsiveness, if the clothes were expected to fit.

It was at that point, about 15 years ago, that the fashion houses, with true team spirit, all decided to explain to men and women of America — and the world, if that would help convince the Americans — that the look of today was clothes that did not fit. Clothes that looked as if they had never even been introduced to the wearer were even better.

The don't-fit look has taken two main forms. One is the kite look; the other, the wino look. In the kite look the woman (or man) looks like a Japanese kite with legs. A recent example, still very much alive, is the big-shoulder style. If you can extend the shoulders of a woman's dress or jacket six to eight inches beyond her deltoids and make her look like it, "fit" is superseded once and for all by "hang." Her outfit may look like the scenery for a resort community opera group's produc-

tion of Aida, but in any event no one is going to bring up so negligible a point as fit.

The wino look is referred to in the fashion press by the euphemism, "the layered look." The wino look is based on the look of winos on West 41st Street in New York who may be seen at any hour of the day or night sitting on standpipes on the sidewalk swabbing the lesions on their ankles with paper towels they take from the men's rooms in the subway. The first layer they wear is the remnants of a pond-green hospital nightshirt of the open-back sort known as angel wings, and this is surmounted by an aluminum wash'n'wear jacket with the sleeves ripped off, over the top of which is a red-and-black Hudson Bay plaid shirt, over the top of which is a mustard-khaki strap undershirt, all of which is tucked into a pair of hospital-issue olive drab halloo-seat ward pants with a rope tied about the waist. The wino's swollen feet are stuffed into a pair of half-way house-issue bulb-toe bluchers and light white socks rolled down to expose the oozing ankles. Topping off the entire ensemble is a cape, gathered at the neck by a bootstrapping, made of 10 to 20 layers of clear polyethylene dry cleaning bags. For the layered drycleaning bags, substitute the down-filled overcoat but leave the rest as is, which makes a woman look like an enormous handgrenade and there you have one of the most fashionable looks of the past five years.

The problem lately, has been that women and men have discovered that they can achieve the wino look or the kite look without the help of Giorgio Armani or Claude Montana. It is not that they can approximate the look of the great fashion houses — they can duplicate it. Any American man or woman today is capable of looking like a clown or a neuraesthenic sloven without any help from abroad.

Naturally the industry is becoming desperate. Women's Wear Daily has already started a campaign against the PJs, as they call them, "the plain Janes." They take pictures of women who go out on the streets of New York in cheap, shapeless, slovenly clothes — the Look of today, born in Paris — and publish them as evidence of abominable taste.

What this means is that don't-fit has boomeranged in the worst possible way. There can be no pullback position now. The industry cannot promote half-way-fit and expect anyone to understand. That is what the current nipped-waist business attempts and fails at. The only solution will be that dread beast from the past, with all of its horrifying profit-eating potential: fit.

Within the next two years you may actually see people on the streets of New York and Paris who appear to be ladies and gentlemen. Ladies and gentlemen are people who — oh, I haven't got time.

CONSTRUCTION IN THE ARAB WORLD

U.S. Corps of Engineers: A Unique Role in Saudi Arabia

THE U.S. Army Corps of Engineers has played a unique role for Saudi Arabia. Since the early 1950s it has acted as an agency of the Saudi Arabian government, responsible for the management of a vast multibillion-dollar construction program. The corps is also engaged on considerable programs in Jordan, Oman and Egypt.

Within the next three years in Saudi Arabia alone the corps expects to award nearly \$6 billion worth of construction and construction-related contracts. On a smaller scale, it will have a hand in awards of contracts worth between \$200 million and \$300 million in Oman — in this case for facilities to serve U.S. forces in time of need: \$37 million for construction of facilities for Jordanian armed services, and as much as \$500 mil-

lion for work — also to back possible U.S. forces — in Egypt.

If Saudi-funded work is not further extended, however, the end of this decade will also see the end of a remarkable 40-year career in Saudi Arabia for the corps. Its role began there in 1951 with the design and construction of an award-winning international airport — at Dhahran — and will have included completion of naval, air and ground military bases, complete cities, and training facilities and other support projects.

Over the same period the corps has trained several generations of local technicians and managers in many engineering techniques, including investigation, planning, design and construction and in management skills such as handling purchase, storage and use of

enormous quantities of materials and supplies, contract administration, maintenance and operation techniques.

Surprisingly, the corps has seldom awarded construction contracts to American companies. In fact, after the mid-1950s when American contractors secured something like 50 percent of all construction contracts awarded, the proportion gradually declined in virtually nothing by 1981 when contractors from Asia and some from Europe took over.

While the Saudi government has preferred U.S. designers and engineers for planning and project management, it has followed the U.S. Army Corps' traditional practice of awarding contracts to the lowest bidder. And as U.S. contractors — hampered by higher

costs, numerous restrictions imposed by their own government and difficulties of financing — have dropped out others have moved in, some capitalizing on labor availability, aid from their own governments, far fewer scruples about boycotts and undoubted capability.

In Jordan, the corps is undertaking contracts estimated to cost some \$57 million (of which \$40 million will go toward construction of an armor rebuilding factory). In Oman there are U.S. corps-managed projects at four locations. The major one is at Masirah Island, off the west coast; others are at Thumrait in the south, Seeb, near Muscat, and Khasab on the Strait of Hormuz.

Facilities at the locations —

some of them now being designed — will cost between \$200 million and \$300 million. At Masirah Island, barracks and mess halls, fuel and ammunition storage, a supplemental power generator, desalting equipment and runway improvements in the existing air base are to be built.

At Seeb, work is under way to provide petroleum and ammunition storage, warehouse facilities and parking aprons and maintenance facilities — all scheduled for completion in 1984.

At Thumrait, with completion also set for 1984, the work involves runway improvements, petroleum and ammunition storage, billeting and maintenance facilities.

— ANTHONY DAVIS

Aga Khan Prize: A Bid for Quality, Sense of Islam

TO MANY PEOPLE sensitive to architectural change the oil boom of the 1970s brought the Middle East a rash of ill-conceived buildings, mostly based on foreign ideas unrelated to local conditions and culture. In an attempt to counteract characterless transfers from the West and false imitations of an unadvised Islamic past, the Aga Khan announced in 1976 his intention to offer an award to encourage architecture in the spirit of Islam.

He set up an international steering committee under his own chairmanship, and seminars have been held in different parts of the Islamic world, normally every six months, to explore local architectural conditions and extend the awareness of local architects and their patrons. The opening seminar was held in Paris in 1977 and later ones were held in Istanbul, Jakarta, Fez, Amman, Lahore, Beijing, Geneva and Dakar. Each examined a different theme, such as conservation, housing, symbolism in architecture and the Sahelian city.

The initial intention was to make up to five awards worth \$100,000 each, but experience showed that a single project was worth such a high sum, and the \$500,000 allocated in the first prize-giving in 1980 was divided unequally between 15 winners, with three receiving more than the others.

Building activities were surveyed in all parts of the Islamic world and data collected on the architectural profession and education, the construction industries, self-help projects and conservation

programs. By no means the least important aspect of the operation was the body of research material provided by the losers as well as the winners.

Winners in 1980 included the National Museum in Doha, Qatar, "for restoring and creating a national museum out of a group of buildings that is intimately linked with Qatar's history and traditions, and for being first in the field in that particular area of the Islamic world," and a house in Agamy, Egypt, for "an effort to combine modern technology and functional forms in the context of Islamic culture."

Work is already advanced on the choice of candidates, about 250, for the second Aga Khan Award for Architecture, to be announced later next year. The methods of reaching final decisions and of establishing the appropriate criteria are still very much in their formative stages. As the jury, which must be at least 50 percent Moslem, put their task in 1980, the winners represented not the ultimate in architectural excellence, but steps in a process of discovery, still an incomplete voyage toward many promising frontiers.

It is wrong, they felt, to talk about Islamic architecture, but rather to consider architecture for Moslems. Its future depends on meeting certain urgent needs, such as low-cost housing, and to keep social and economic needs, as well as design quality, constantly in focus. What at first appeared a dilemma proved to be an illusion. "What is really needed," they concluded, "is a redefinition of architectural excellence in a socio-economic context."

— GEOFFREY WESTON

Yanbu and Jubail: Saudi Arabians Plan Twin Cities as Industrial Base

By Michael Frenchman

SPEARHEADING what amounts to the largest construction undertaking in the Arab world — if not in the world — is the Saudi Arabian project for the future cities of Yanbu and Jubail.

Hailed by planners as "development nuclei," the twin cities are seen as a means to create industrial expansion leading to a healthy added value export business based on the local natural resources — oil and gas.

During the current five-year plan (1980-85) Saudi Arabia is slated to spend around \$150 billion on construction projects.

Six years ago the Bechtel group, of San Francisco, and the Parsons Corporation, were awarded a 20-year contract by the Saudis to advise and manage the Yanbu and Jubail industrial complexes, which are on the Red Sea and Arabian Gulf respectively.

Jubail, once a small fishing village inhabited by a few dozen families, is a mass of gleaming storage tanks and pipes, with what will become residential accommodation for 370,000 workers and their families by the end of the century. Utility-works landscaping, two 4,000-worker construction camps, a 1,000-unit family housing camp, a 200-bed hospital, six-lane highways, a seven-mile-long jetty, and the first 1,700 permanent dwelling units are already under construction.

Already there are about 46,000 workers living in Jubail who are involved in the construction and engineering works out of a total of 297,000 in the construction industry as a whole in the country. Five years ago, according to figures just released by the Ministry of Finance and Economy, the total number of construction workers was fewer than 80,000 as construction of the primary industry plants gets into full swing and the second phase starts.

Total financial commitment by the Royal Commission for Jubail and Yanbu in the current 1982-83 budget year is said to be \$875 million, which is a little less than had been anticipated for the continued rate of expansion. Bechtel's subsidiary Saudi Arabian Bechtel Co., which has the Olayun group as its local partner, currently has some \$5.8 billion in hand divided up among 300 contracts, the majority of which are held by local companies. The larger contracts have been deliberately broken down into smaller ones in order to encourage greater participation by local companies in accordance with the government's wishes.

Total costs of the complete complex are difficult to arrive at but according to reported statements from Bechtel, the principal 16 heavy industrial plants alone will cost at least \$15 billion to which must be added all infrastructure expenses plus financing of the gas-gathering and power generation. Some economists believe that if inflation is also taken into account the total costs may exceed five times that of the main processing plants.

All the plants are based on hydrocarbons, with the exception of an 800,000-ton-a-year steel plant that will be operated by the Saudi Iron and Steel Company. Eight of

the primary plants, including the steelworks, in the first phase are well advanced and the remainder will be under construction next year. Another dozen or so support industry plants allied to the construction works are also in operation.

The two hydrocarbon-based processing plants nearing completion are the 500,000-ton-a-year al-Jubail fertilizer company and the Saudi Methanol Company, which will have a capacity of 650,000 tons of chemical graded methanol. Both are due to start up next year. The other plants that will be producing urea, polyethylene and ethylene products are scheduled for a refinery completed in the same year by which time the 932-square-kilometer urban-industrial complex will be fully operational. And, if the schedules are kept, several hundred secondary and tertiary industries will also have been set in motion creating the world's largest industrial park and the Arabian peninsula's most modern city.

Yanbu, which is on a smaller scale on the other side of the peninsula, is the second major industrial city that will have a popula-

tion of 150,000 by the end of the century. There has been less emphasis in the planning on the urban elements and a concentration of effort on developing refinery capacity. It is hoped that this might in the longer term attract a spate of secondary downstream and related manufacturing industries.

A service port has already been completed and first shipments of LPG have already begun. By 1988, the industrial port will be able to export nearly 90 million tons of crude oil, 12 million tons of refined products, 10 million tons of NGL and 1.5 million tons of general cargo, making it one of Saudi Arabia's principal oil exporting terminals.

The port forms a vital terminus for oil production in the Eastern Province, which is being supplied by the 1,200-kilometer Petroleum. The main port and terminal works have been carried out by the Dong Ah Construction Industrial Company from South Korea, which has more than \$2 billion of contracts in Saudi Arabia.

The Koreans are among the most active non-European or American companies in Saudi Arabia and hold some \$24 billion worth of construction business.



JEDDAH LEISURE CENTER — Architects Slater Hordern and Partners designed this multipurpose sports center.

Conserving the Past

(Continued from Page 9S)

ventilate the pedestrian areas inside.

Easily the most imaginative piece of architectural conservation in the Arabian peninsula is the National Museum in Doha, which was opened in 1975 and could be the forerunner of other similar enterprises. From a ruinous group of old Qatari houses, including the old emir's palace, in which the present emir grew up, the British firm Michael Rice and Company planned and designed a sensitive complex, which brilliantly captures Qatar's sense of national identity.

Old photographs, the memories of older members of the emir's family and retainers were able to fill in gaps where physical evidence was lacking. The houses were returned to their original state and furnished in traditional style, and a delightful network of gardens and gravel paths was made around them but within the containing walls.

A modern building, which defers to the old and picks up some of their elements, contains more displays, including the country's fishing and pearling past. Land reclamation had pushed the sea away from the complex, and so an artificial lagoon was created for displaying traditional sailing vessels. No more complete record of life in eastern Arabia exists elsewhere.

Saudi Arabia's efforts to mobilize its vast resources have been ponderous. Apart from isolated mud-walled buildings like the Muscat Fort and the Marab Palace, the home of the country's founder Ibn Saud, which is to form the hub of a national museum also conceived by Michael Rice, Riyadh has nothing to preserve. Ten kilometers (6.2 miles) to the north, however, is the magnificent abandoned city of Dairiyah, sacked by the Ottomans in 1819 and earmarked for eventual restoration.

The Directorate-General of Antiquities and Museums in Riyadh

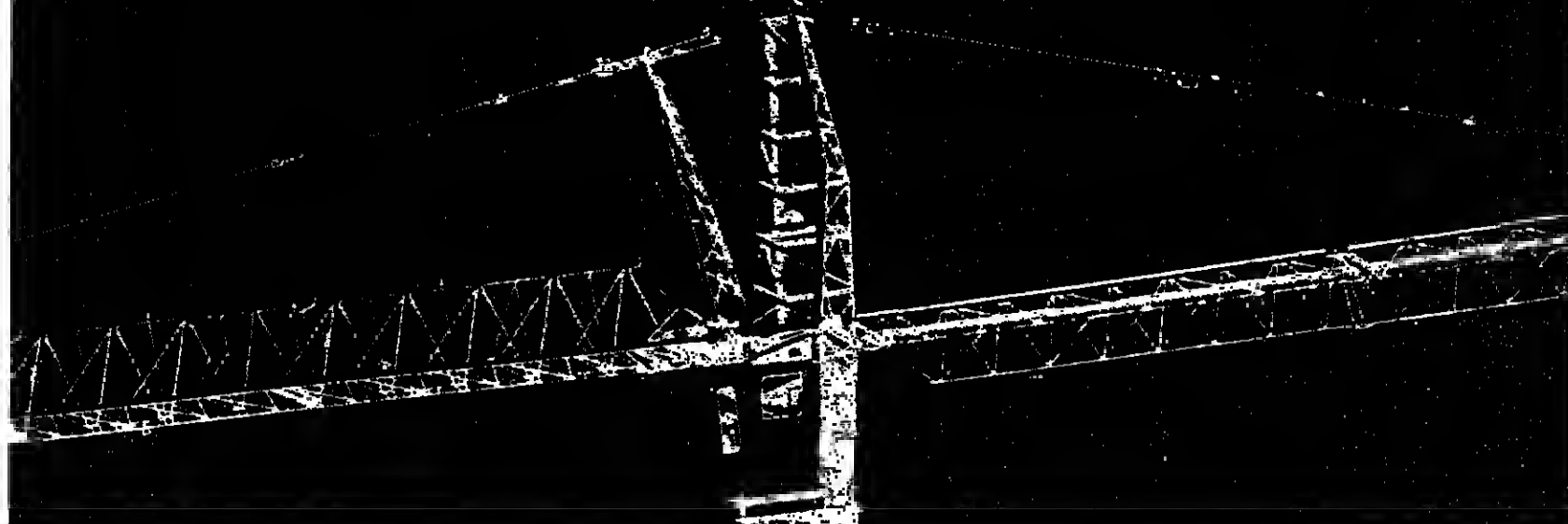
is in charge of all such projects and spent five years charting the country's vastly scattered heritage, but until recently all conservation efforts in the Arabian peninsula have concentrated on individual buildings chosen in isolation for their architectural or historical importance. The shift in interest toward groups of buildings, significant not because of their individual quality but because they present a picture of the past as a group, was an idea that has blossomed in the West in the last two decades but has gained little ground in the Middle East.

Jeddah, however, is an exception thanks to the single-minded determination of its mayor, Sheikh Muhammad Said Farsi, an architect. Sheikh Farsi recognized the importance of the surviving old core of the city in what is known as the Al-Balad district and placed an embargo on demolition in the final 1.5 square kilometers. More than 4,000 people live and work there, but it is dilapidated and unfashionable as a residential area.

The district has a unique character arising from the random network of narrow streets and the variety of historical buildings. The Turkish and Egyptian styles date back to the 18th century and incorporate magnificent *rawashin*, carved and fretted wooden bay windows.

The city's architectural consultants, Robert Matthew, Johnson, Marshall and Partners, have estimated the cost of restoration at 1.5 billion riyals, but the mayor's problem is not so much raising finances as convincing the handful of rich families who own the old buildings that restoration is worthwhile. The cultural argument is surprisingly backed by a survey of the inhabitants, more than half of whom said they wanted to stay put and have their homes restored instead of moving to modern dwellings. Jeddah appears to be on the threshold of the biggest conservation step in the region.

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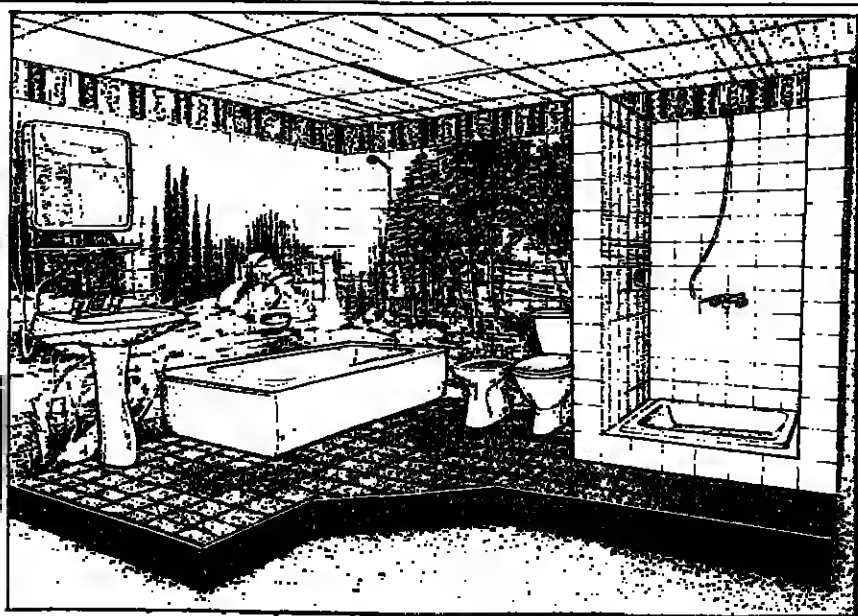
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AMERICAN FASHION



Publisher John B. Fairchild with a poster of designer Claude Montana.



EUNICE JOHNSON, editor and publisher of Ebony.



RONALD LAUDER

The Small World of High Fashion Design

(Continued from Page 9S)

cality, sportswear — plus Americana, Indians and cowboys. Also American glamour, via the movies.

Fairchild also said that American designers like Bill Blass, Oscar de la Renta, Halston and Galanos not only make great evening clothes, they also make a big contribution to daytime American glamour. American designers have

enormous personal clout. "You know, designers have a following," he said "like movie stars, they have become the new stars of our age. They are also the new millionaires; considering that men like Calvin Klein or Ralph Lauren are making \$10 million to \$15 million a year salary, just to take home, they are the new stars."

"Obviously, I think the Italians are number one when it comes to avant-garde or couture, so to

speak, sports clothes. But I have rarely ever seen an attractive Italian evening dress. And I'm still old-fashioned enough to think that a designer has to know how to make clothes that look wonderful in the daytime, wonderful in the afternoon and great at night."

But in the end, Fairchild said, "I don't think any fashion show today is complete without having a combination of Italian, French and American."

HEBE DORSEY is the fashion columnist of the International Herald Tribune.

JOHN DUKA is a journalist in the style section of The New York Times.

BERNADINE MORRIS writes on fashion for The New York Times.

ANTHONY HADEN-GUEST is a writer on the staff of New York Magazine.

MEREDITH ETHERINGTON-SMITH is a free-lance fashion writer based in London who writes for French and Italian Vogue.



Philip Miller, left, president of Neiman-Marcus and Bergdorf-Goodman president Ira Neimark

Bloomingdale's 'America the Beautiful' Aims at Rebuilding Industry in U.S.

By Meredith Etherington-Smith

NEW YORK — "This is a year to concentrate on rebuilding American industry and to use our talents and our time to invest in American industry," Marvin Traub, Bloomingdale's chairman, said at the Sept. 15 inauguration of the trendy New York department store's "country concept" event, "America the Beautiful."

Last year it was Ireland, the year before that China, but this year Bloomingdale's has looked homeward to the United States for a theme. Until Nov. 15, visitors to 59th Street will find themselves in an all-American store. They will be sprayed with Estée Lauder perfume by a Lauder Gibson girl in a white middie blouse and long skirt. They will be able to see the original dress Rita Hayworth wore in "Gilda" (remember — it was tight, black and strapless), drink an American beer in the Campbell Country Inn, before they buy their Aramis after-shave to a serenade from a barbershop quartet.

Mr. Traub said in his inaugural speech that it was "time to take a fresh look at all things American." He and his merchants have been as good as their word, in areas ranging from food (Tex-Mex, Hawaiian) to furniture (Adirondack log furniture).

Mr. Traub said the "country concept" had presented special difficulty to his merchants. "It was much more difficult to work on than any of our other countries, because when you sell a foreign country it is really much easier to zero in on it than on your own," he said. "Of course America is always a substantial source for our purchases and a large part of our thinking, so for this event we all had to rethink what we had done in the past, in order to focus in on what we really wanted to tell our customers about America now."

Did he think his merchants had succeeded? "Generally speaking, yes," he said. "I think we have a particularly strong presentation in all our

home areas. For instance, but you have to think of one of these store-wide events as being rather like an orchestra; the total sound comes from all the musicians and it is just the same with merchandise presentation; it's really a question of making it all happen at the same time."

Working a 10- or 12-hour day, Mr. Traub conducts these promotions with a very firm hand to make sure the sound comes out right. He places special emphasis on the role cosmetics have played in the "America the Beautiful" event.

"Estée Lauder and Ralph Lauren have worked with us very closely from the beginning, as have several Revlon divisions," he said. "I think that the reason for success in this area is that cosmetics is one of the most successfully marketed commodities in the U.S. Some of the most innovative people I know are concerned with marketing cosmetics, and they come up with very strong ideas, like the old-fashioned barbershop promotion from Aramis." He said that he liked to work very closely with cosmetic people to create ideas together, believing that this sort of thinking adds a genuine and valuable dimension to our promotions.

Had it been difficult to find new American products with sufficient novelty for the predominantly American customer? "I think that, for instance, the designs we have developed with the Museum of American Folk Art are extraordinary — altogether," he said. "We have developed over 800 new products for the home areas."

In times when retailers in America are having difficulties, Mr. Traub believes that, in taking a fresh look at America, the results are sufficiently different and imaginative to stimulate the customer. "In our experience a successful promotion doesn't happen overnight," he said. "It's very much a word-of-mouth thing, and we know we have to wait for the word to get round."

Seventh Avenue: The Traffic Is Vertical

(Continued from Page 9S)

Some designers introduce their collections at hotels, discotheques or the auditorium of the Parsons School of Design at 40th Street and Seventh Avenue. But for the summer shows in February, the resort lines in August, the early fall collections in March and various in-between groups of styles the rest of the year, Seventh Avenue houses rely on their own showrooms.

Pauline Trigere has a little theater built into her salon. Perry Ellis, who took over a space formerly occupied by a bank, sets up bleacher seats. Other designers open up their

workrooms and even set up seats in executive offices. When small groups of buyers are visiting there are such amenities as lunches prepared in the company kitchen or brought up from the many coffee shops that dot the area.

Outside, the hand trucks still move the clothes from loft to shipping room or, on occasion, to Fifth Avenue stores desperate for merchandise. Inside, the name of the fashion game is glamor. The object is to keep buyers as comfortable as possible for as long as possible. That gives them less time to visit competitors a few floors up or down.

Whether the salons are decorated in high-tech style or are pale-carpeted, chandeliered versions of Old World grandeur, they are planned to offer an attractive background for the presentation of the new season's clothes.

They also offer oases of calm from the frenetic traffic in the streets and the crush in the elevators.

The clothes are presented with a flourish for, as some designers are fond of pointing out, Seventh Avenue is just a block away from Broadway.

THE KINGDOM OF THE BLONDES

By Anthony Haden-Guest

NEW YORK — Pandora was suddenly reminded of her first day at school. She was seized by two contrary urges. She wanted to giggle, and she wanted to take to her heels.

Pandora, whose real name this is not, is a young Englishwoman, recently married, and moved to Manhattan. The panic gripped her at a party. The party, in a huge, overdecorated apartment in the East 70s, was a get-together for the committee of a charity, and the room was filling up with women with brilliant feral smiles, like foxhunters in at the kill.

"I was looking around the room, and I suddenly realized something," Pandora told me later. "I was the only woman there who wasn't blonde."

Well, the mirage dwindled. She noticed a brunette from the Museum of Modern Art, an astonishing redhead, and a covey of Latin Americans, their hair apparently sculpted from black plastic, chattering in a corner, but her perception was bang on the money. Pandora was in the kingdom of the blondes, which is to say fashionable New York.

Correction. I'll withdraw that. One of the fashionable New Yorks, Manhattan is a metropolis, after all. Perhaps Manhattan is the last metropolis. Certainly, it comes equipped with any number of moving parts, interlocking circles, each of which is quite confident that it is the cat's pajamas.

Consider what lies ahead of Pandora in her new world, now that her name has been inscribed, in the inevitable curvilinear Spencerian script, embossed to give the effect of engraving, along with all those other fashionable Manhattan names, most of whom will never actually make it to the hotel ballroom hop. Pandora told me it was some disease.

The names were all female, as is the custom. Mrs. de This. Contessa That. Double barrels,

and those good American names that are distinguished by the fact that the fellow's first name is the sort — Baird, Sturges, Carter — that most people have as last names. Not only are they all female, but they are all addicted to the last activity that truly distinguishes the sexes in this increasingly complex world: lunch.

I mean, of course, the posh lunch. Pandora has been doing a lot of lunching. She lunches at Le Cirque, Doubles, La Grenouille and, most of all, at Mortimer's. She lunches with, or at least, rubbing shoulders at adjoining tables with, all the grandes, Pat (both Pats) and Nan, and Kay, and Mica, with often just one male, either Jerry Zipkin, or some nice youngish man with a vague connection to Christie's or Sotheby Parke Bernet. These are the grandes whose names will appear regularly in the Sun column, and Eugenia Sheppard, and Liz Smith (in the event of a peccadillo) and, most of all, in Women's Wear Daily.

These are the women who, to lift a line from Joan Juliet Buck, believe that a life unpublicized is not worth living and, as Norah Ephron pointed out, all of 15 years ago, it has been the peculiar genius of Women's Wear Daily's publisher, John Fairchild, to have turned lunch from a guilty waste of time, a dilettante affair, into something substantial. Almost a duty. Lunch is doing something. That is the thing about Manhattan, a characteristic that distinguishes it from Paris, Rome, the great Latin cities. London. It is important, even in social life — no, especially in social life — to do something.

The young, if they are unmarried, will often have a real job, just so long as it is an "interesting" one. This may be sitting in an art gallery all afternoon, inviting friends to the next preview, working for a publicist with smart connections, finding out how to do up other people's houses, or working as an ill-paid apprentice on one of the fancier magazines.

If money is not a problem, there are classes

in acting and dance — why "dance"? Nobody talks about "act" or "paint" — art history courses, or just generally hanging out at Andy Warhol's interview (this last option normally being reserved for daughters of the British upper classes.)

The older, and married, with no burning desire for a real job, however interesting, have a head-spinning array of fashionable goings-on to pick and choose among. Pandora has, for instance, firmly resisted the seductive charms of the gourmet cookery cult. She detests backgammon, which has become grievously overexposed anyway (there is, incidentally, a fortune waiting for the first person to come up with a gambling substitute, acceptable to those women with real entree, false marmalade hair, and brains like digital computers, who have been sustaining the backgammon cult).

She keeps fit, but refuses to jog, and has so far not been cajoled into joining the acolytes of some fashionable body-awareness therapy guru. She enjoys contemporary art, but is fully aware that becoming a "collector" entails much hardship in terms of chatting up dealers and winning and dining various monomaniacal artists, to say nothing of the expense of acquiring the actual artworks, which are usually of unwieldy size, and stifle any other conversational life around them, like the huge sort of forest tree.

There is also the most fashionable option of all, though. Fashion itself, meaning couture. Manhattan ladies are nothing if not serious about couture. A writer friend remembers sitting at the premiere of Death in Venice. The entire audience sat, wreathed in silence, as Dirk Bogarde brooded on mortality, the passing of beauty, and so forth, when several rows were electrified by a piercing squeal.

The squealer was an editress of Vogue, and a woman of notorious chic. She was addressing her husband. "Darling," she moaned. "Darling. The buttons. The buttons. To die."

Now there was a woman who had her priorities in order. Perfect Manhattan, because there is one other local characteristic to be noted. It is a gregarious town, New York. The pleasures of solitude are not its forte, and romantic intrusions tend to be rushed and scampering events.

Another young woman — I will call her Amy — complained to me that her sex life in Manhattan had gotten so low that it did not even register on radar.

This, she admitted, could partly be attributed to cocaine, and to the fact that she was inclined in any way up in the back rooms of discotheques till the early hours, by which time she had necessarily outlasted her few straight male friends, who were burdened with day jobs.

Also, there was something else. "Nobody ever wants to go out alone with somebody anymore," she said.

"They are afraid they're missing something." Ah, the creature of the night, (as Count Dracula observed in the original movie) what music they make.

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BUSINESS / FINANCE

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Investors, Borrowers Disappear

By Carl Gewirtz

PARIS — Investors and borrowers disappeared last week, bringing to a dead halt the recently booming Eurobond market.

The outlook for this week is not much better, given that a half-

EUROBONDS

point cut in the U.S. discount rate, which failed to materialize Friday, was believed to be a certainty.

Investors have pulled back from the market, bankers say, awaiting evidence that long-term dollar interest rates can decline further.

Compounding this lethargy is the fact that many natural bond buyers are simply full up, while others are just unwilling to buy dollar instruments while the dollar lingers near its post-devaluation peak.

Borrowers, on the other hand, are convinced that rates are heading lower, and having seen how fast they can decline once they get moving, are inclined to await further reductions. Bankers report that potential borrowers believe rates must decline so long as the U.S. economy shows no sign of recovery.

In addition, as investment bankers are sitting on mounds of unsold Eurobonds, the competition between banks to bring new issues to the market has waned sharply.

The banks are comfortable about their holdings, as their own financing costs are low enough to assure a profit on this inventory. Just how large this unsold backlog is can probably best be gauged by the fact that only one new straight dollar bond was announced last week.

That was a currency swap for Österreichische Industrieverwaltung, carrying the guarantee of Austria, which sold \$56.75 million of seven-year paper bearing a coupon of 11 1/2 percent. The notes ended the week trading at 98 for a yield of 12.19 percent.

By contrast, the recent issue for Vienna, which is not guaranteed by the government, was trading at 97 1/2 bearing a coupon of 12 1/2 percent to yield 12.71 percent.

Also trading poorly were the Super Oil 11s of 1992, marketed a week earlier at par but quoted on Friday at 96 1/2 for a yield of 11.56 percent, and Svenska Handelsbanken 13s of 1990, offered at par but trading at 97 for a yield of 13.64 percent.

The only other attempt to sell dollar paper was Citicorp's offer of 100,000 warrants. Each of these can be used to buy \$1,000 of seven-year notes at par bearing a coupon of 11 percent. The warrants themselves are being offered at around \$20 — a price most analysts say is unreasonably high.

Warrants have had tremendous appeal to investors, giving them enormous leverage — potentially huge gains for little cash outlay — much like the options market for stocks. Warrants sold earlier this year have about doubled in price as the value of the high-coupon bonds they can be used to buy have also soared.

At present, these old warrants are trading at parity with the underlying bonds, the cost of buying a warrant to purchase a bond results in a cost representing the true value of the bond on the secondary market.

The appeal of warrants lies entirely in the potential for a capital gain. For the warrant value to soar, the bond into which it is convertible has to bear a coupon that at some point during the life of the warrant will look sufficiently attractive to trade at a premium.

The life of the Citicorp warrant is three years, a long maturity that is rarely seen, giving ample time for an 11 percent coupon to look attractive. However, there is considerable skepticism among professional money managers about how much lower medium-term interest rates will decline and whether the Citicorp terms will ever look attractive enough to merit paying \$20 for the right to buy such paper.

If Citicorp were to sell a seven-year issue in today's market, analysts estimate, it would need to pay a coupon close to 12 percent. This means that interest rates have to drop quite a bit for the Citicorp warrant to trade at parity with the underlying bond. It also means that rates would have to drop substantially before warrant holders could hope to reap windfall capital gains.

This skepticism about potential gains inherent in the Citicorp warrant appears to be shared by the managers of the deal. The warrants issue is not underwritten by lead managers Citicorp International Bank Ltd. and Credit Suisse First Boston. Rather, they have undertaken to do their best to sell as many warrants as they can at the best possible price.

They will not reveal at what price they are buying the warrants from the issuer — this will become public when the prospectus for the bond issue is published — or the price below which they are unwilling to sell the warrants. The difference between the price at which managers buy the paper from Citicorp and the price to the public is what they earn for doing the deal.

They are trying to find buyers at 20, but this is clearly a figure at which negotiations begin. The managers indicate that some sales have taken place at a price of 17.50 and "laugh with disdain" when told that some dealers say

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NEW EUROBOND ISSUES

Borrower	Amount (millions)	Maturity	Coupon %	Price	Yield At Offer	Terms
Bank of New South Wales	\$50	1987	+3/16	100	—	Over 6-month Libor. Negotiable certificates of deposit.
Citicorp Overseas Fin.	0.10	1985	—	open	—	Exercisable at par into 11% notes of 1989. Price to be set Nov. 4.
Oest. Industrieverwaltung	\$56.75	1989	11 1/2	99 1/2	11.86	Non-callable.
Conseil de Europe	125	1992	8 1/2	99 1/2	8.29	Sinking fund to start in 1988 to produce 8-yr average life.
European Investment Bank	200	1992	10	101	9.84	Sinking fund to start in 1988 to produce 8-yr average life.
Koninklijke Nedlloyd Group	75	1987	10 1/4	99 1/2	10.38	Non-callable.
World Bank	75	1992	11 1/4	99 1/2	11.24	Non-callable. 20% prepayment on subscription and refund in April 1983.
Hydro-Quebec	60	1992	14	100	14	First callable at 101 in 1990. Increased from Can\$50 million.

France, Banks to Sign Loan This Week

By Carl Gewirtz

PARIS — The \$4-billion syndicated Eurocredit for France will be signed on Wednesday, with all 54 underwriters who had expressed interest remaining in the deal after the Treasury yielded to demands for a more toughly worded loan agreement than the government was initially willing to offer.

The dispute over the wording had been pushed to the brink. On Thursday, Oct. 14, the final date for banks to accept or reject the agreement, four West German banks, two British clearing houses, one Canadian and two U.S. banks informed the French that they would not participate because

clauses they considered standard safeguards were not included in the loan contract.

The bailout by these banks never threatened the loan, which is massively oversubscribed. In all, 126 banks committed to lend a total of \$7.2 billion — leaving ample room for the withdrawal of \$900 million worth of underwriting commitments. But such a walkout, all parties agreed, would create a diplomatic incident and lock France into a confrontation with many of the biggest banks operating in the Euro market.

By the next morning, the Treasury signaled its willingness to back down, offering to include a cross-default clause and a pari-passu clause. One banker reported that the threatened rebuff by the European banks was the deciding factor for the Treasury, which did not want to appear to isolate France from its partners in the European Community. But others close to the deal say that the government just did not want a public showdown with the banks.

The wording was not exactly what the banks wanted, but the government's compromise was accepted because the banks also did not relish the prospect of a public dispute. By Friday, Oct. 15, the first of the hushhanded signaled acceptance of the compromise and by Wednesday, Oct. 20, Bank of America, the last to acquiesce, telegraphed its approval.

The standard pari-passu clause assures lenders that their loan will rank equally with all other loans — past or future — and usually contains a negative pledge to the effect that no future loan will be arranged that is better secured unless such security is given to this loan.

The negative pledge was an especially sensitive point. Banks wanted protection in the event that France might one day borrow money using its gold reserve as collateral while the government was unwilling to see its own field for maneuver circumscribed by foreign banks.

The wording that was accepted limits the pari-passu pledge to France's external debt and, further, to only that debt held by any of the banks signing the agreement.

The same wording applies to the negative pledge clause. Thus, France could use its gold to borrow from any international institution and not violate the contract. It could also borrow from Swiss banks, as they have not joined this loan. But given that 126 banks will be signing the loan agreement — 54 lead managers and 72 co-managers and participants — the banks felt they were adequately protected.

"It's not an ideal clause," one banker lamented, "but it's not bad given the circumstances."

The cross-default clause, which throws this loan into default if any other loan goes unpaid, is also limited.

(Continued on Page 15, Col. 4)

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(Continued on Page 15, Col. 4)

U.S. Envoy 'Regrets' Story on French Loan

By John Vinocur

PARIS — Evan Galbraith, the U.S. ambassador to France, expressed regret Saturday to the French government over an article that appeared in The Wall Street Journal, and said he would ask the U.S. Attorney General's Office to determine how the newspaper had come to use classified embassy cables in the article.

Mr. Galbraith made the statement after publication of a report from New York in Friday's issue of The Wall Street Journal. The article reported that cables to the State Department bearing the ambassador's signature told of French government pressure on U.S. banks to underwrite a \$4-billion loan to France.

Mr. Galbraith's expression of regret about the article was announced in a communiqué issued Saturday by the Ministry of Economy and Finance. The ministry also rejected any allegations that France had placed any constraint on U.S. banks.

In a telephone interview after release of the ministry statement, Mr. Galbraith, a banker appointed to his post by President Ronald

SEC Maps Out the Hunts' Fortune

By John Vinocur

WASHINGTON — In researching the part played by the multi-billionaire Hunt family of Texas in the collapse of the silver market in 1980, the Securities and Exchange Commission first had to map the maze of more than 150 separate entities that controls the Hunt fortune.

So many Hunt family members, companies and trust funds were involved in the silver market that the SEC needed a four-color, fold-out diagram just to show the connections.

Though only a preface to the Securities and Exchange Commission's silver market study, the report on Hunt family finances provides the most detailed view ever of the inner workings of the secretive Texas clan. The report was released last week.

The SEC investigators found that two interlocking chains of trust funds assure that future generations of Hunts will inherit the vast wealth that originated with wildcat oil driller H. L. Hunt.

One set of trusts was established in 1935 by H. L. Hunt to provide income to six of his children; another set of trusts formed in 1955 by his first wife, Lydia Bunker Hunt, takes care of the grandchildren.

The late H. L. Hunt was frequently ranked as the richest person in the United States, and the dynasty he founded, even spread among three families and two generations, remains unchallenged as the wealthiest in the United States.

According to Forbes magazine, five of H. L. Hunt's children — Nelson Bunker Hunt, W. Herbert Hunt, Lamar Hunt, Caroline Hunt, Schoellkopf and Margaret Hunt Hill — are all billionaires.

But the family members lost hundreds of millions of dollars at least on paper when silver prices plunged from \$50 an ounce to the \$10 range and oil prices dropped drastically, the government investigators noted.

By the SEC's accounting, Herbert and Lamar Hunt might not even be billionaires any more, and Bunker's personal net worth has declined from an estimated \$2.9 billion to \$1.2 billion.

Herbert's estimated net worth appears to be approximately \$320 million, the SEC reported. Lamar's personal net worth, the agency estimated, may be no more than \$137 million.

Those figures, however, count only personal assets. Much of the family fortune is in trust funds, which provide income for family members who do not have access to the principal of the trust.

The SEC noted that the trusts for Bunker, Herbert and Lamar own a little more than 63 percent of Placid Oil, the family's biggest

business. The rest is held by other family trusts.

The brothers' stake in Placid Oil is valued at \$386 million based on the original investment in the firm, but that figure substantially understates the value of the company, the SEC noted.

Morgan Guaranty Trust estimated in 1980 that the brothers' Placid holdings were worth \$1.9 billion. The investments held by the Placid trusts will ultimately go to H. L. Hunt's grandchildren.

The trusts set up for the grandchildren make members of the family dependent on each other. Bunker Hunt's children, for example, receive income from a trust for which Herbert is trustee. Herbert's children in turn are beneficiaries of a trust for which Lamar Hunt is trustee.

Because the SEC explored only the Hunt interests involved in the silver market, the map of Hunt holdings leaves several chunks of uncharted territory involving family members who did not invest in silver. Congressional investigators a year ago assembled information indicating a similar pattern of interlocking trusts among other family members.



Evan Galbraith

This announcement appears as a matter of record only.

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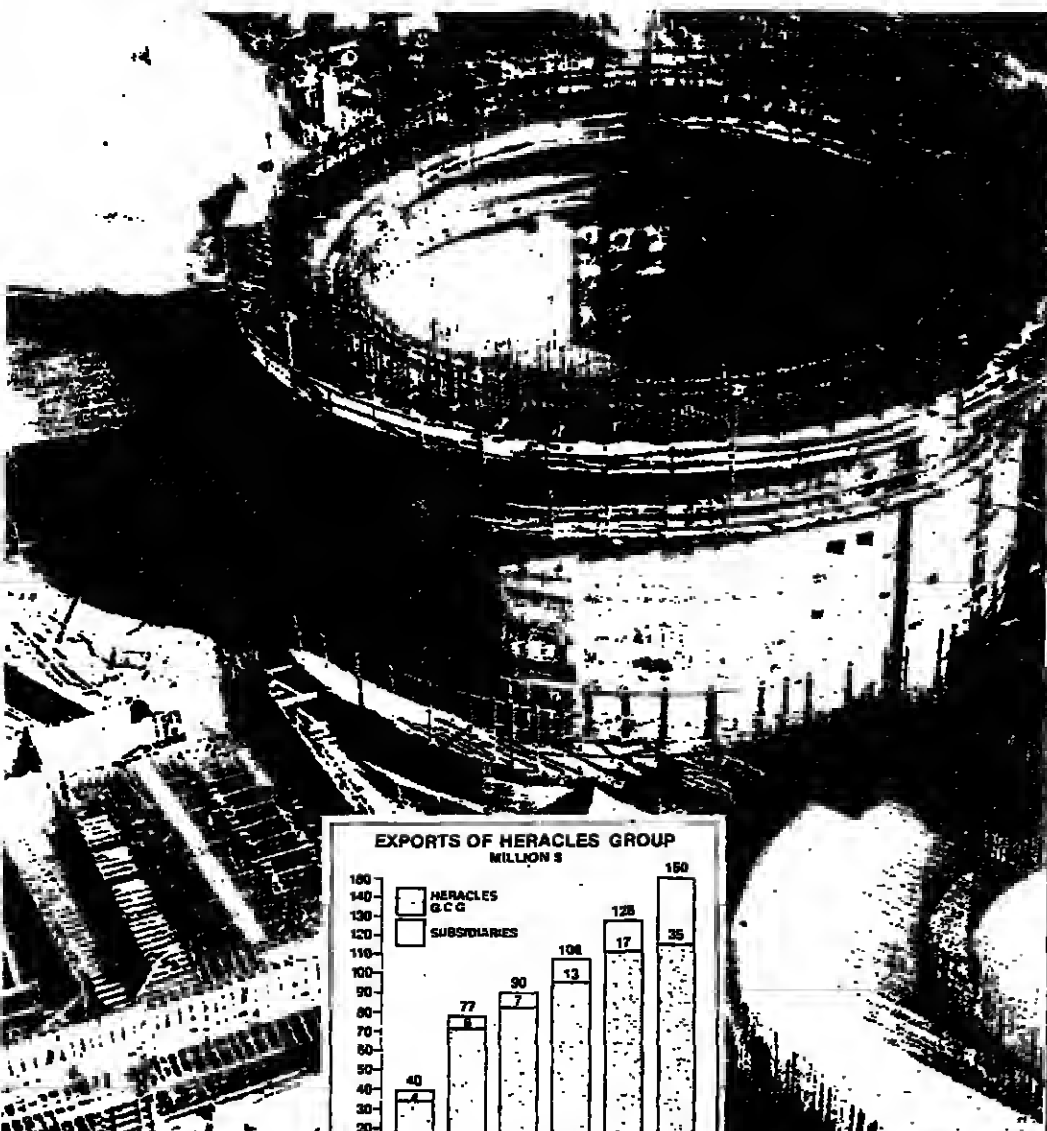
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CONSTRUCTION IN THE ARAB WORLD



QUEEN ALIA MAUSOLEUM — E.J.D. Mansfield, a senior partner of London's Halcrow Architectural Practice designed this mausoleum in the

memory of the late Queen Alia of Jordan. It was completed in 1980. Among its features is its facing of calcata alpha marble from Carrara, Italy.

Amman Boom in Office, Hotel Buildings Recedes

By Sarah Seairight

THE POPULATION of Amman grew from 30,000 in 1948 to 1.2 million last year. Bazaars, shopping centers and transport terminals now cover most of the city's ancient sites, but a few Iron Age forts on the nearby hills and Roman remains in the center indicate Amman's antiquity.

Its modern development is the result of war: a large influx of displaced Palestinians in 1948, another in 1967 and still more refugees from the Lebanese civil war after 1976. The city's development has been hampered by its geography — a series of steep-sided hills converging on the town center, which has grown up since Roman times in a narrow valley. Waves of housing and office development cover the hills. Recent growth has been largely at the hands of the more affluent. The Gulf has offered Jordanians and Palestinians jobs and nearly \$1 billion is remitted each year. But roots in Jordan remain strong and every Gulf wage earner wants to build himself a home in Amman.

The last three years have also seen a boom in office and hotel building, which is now tapering off. Amman has more than enough

The National Planning Council has called for an overall housing strategy, and a consultant should be chosen shortly for a year-long, countrywide study. Under the present five-year plan, which runs until 1985, the main emphasis is on low-cost housing.

Amman has its fair share of squatters, people, by supplying water and electricity, surfacing roads and alleys, and setting up social services such as clinics and schools. The inhabitants are to be given security of tenure. The government will buy the land from the present owners and resell it to the present occupants at prices determined by income surveys. Those whose homes are demolished to make way for services, about 10 percent, will be rehoused on the edge of the city in the other project.

This will develop new areas of low-cost housing. A single concrete room on a 100-square-meter (120-square-yard) plot leaves the owner scope for enlargement when he needs it, a traditional approach to house building in this part of the world. The two projects, together worth \$60 million, are being financed 38 percent by the World Bank, and the rest by the semi-official Housing Bank.

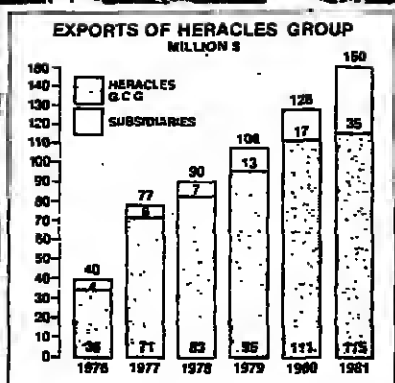
Movement from town to country is likely to continue. City growth is forecast at around 3.4 percent, sadly for the country as a whole and low to middle-cost suburbs are being developed on the bare brown hills that surround the city. The Chinese are working on one such suburb for 40,000 at Abu Nussur, with a French-Lebanese consortium, Sojy. Consultancy bids have just been submitted for another mixed housing project, for 3,000 units, to house employees at the new Queen Alia airport, 30 kilometers (18.6 miles) south of Amman. The airport is expected to start functioning next year and the township should be ready by the end of the decade.

Offers for the Alia township had to be submitted by a local consultant in association with an international partner. This is usually the case. International companies find it politic as well as practical to have the local associate, while the latter, generally ef-

ficient and professional though he is recognized to be, finds the international partner may have more experience of advanced technology and design and new materials.

Materials are obtained from local suppliers because there are too many bureaucratic delays in importing them. Amman sits on much of the material, its limestone hills supplying most of the aggregate used in the city. Zayana is somewhat haphazard in the city but in these areas raised for better housing, a certain amount of stone facing is stipulated according to the size of plot, and therefore the standard of house. This raises the cost of housing but also makes for a harmony that is rare in cities developing at Amman's pace. Facing stone comes mainly from the West Bank, as does most of the marble that can be used as an alternative.

Traffic is as much of a problem in Amman as in other large cities. Halcrow Fox has submitted an overall plan for roads and public transport and the National Planning Council has invited prequalification tenders for four traffic intersections. There are also plans for multistorey car parks, which are desperately needed to relieve congested streets.



Investments totalling \$ 200 million demonstrate our confidence in the future of Greece.

In the course of 1981 HERACLES General Cement initiated the largest investment programme in its history. Investments worth 11.3 billion drachmas, due to be completed by the end of 1982, are under way and will contribute to the increase of Greece's national product and of the country's exports. Nine billions are being invested on a new cement factory at Miteki, Alivani with a capacity of 1.5 million tons of cement a year to replace the HERACLES factory at Piraeus, and 2.3 billions on energy saving and the substitution of fuel

oil by coal in the existing factories. The removal of a large industrial unit from Attica will enhance the environmental protection of Athens, while the country's foreign exchange reserves will be strengthened through the use of cheaper energy and increased exports. HERACLES has always had confidence in the future of Greece. This policy has resulted in the company's doubling every six years. This confidence in the future is actively demonstrated by the continuing and ever larger investments.



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Building Materials: Local Involvement in Supplies Grows

RECESSION may be the key word in construction in most parts of the world, but the Middle East is still booming.

Roads, harbors, industrial plant and housing still have to be built. Nevertheless, the changing economic scene and the growing sophistication of clients have had their effects. Quality is now reckoned more important than quantity and speed, and more attention is

given to cost effectiveness. There is also more supervision at the planning stage. Local involvement has expanded, particularly in the field of supplies of materials and equipment. Nationalization of supply joint ventures, transfer of technology and, above all, the availability in the area of an ever-widening range of materials in general relieves the contractor of some previous headaches.

The continuing boom is most evident in Saudi Arabia, the United Arab Emirates and Iraq. As a measure of Saudi construction, it is worth noting that cement consumption there is around 17 million metric tons (18.7 million short tons) a year, and, for example, a 3,000 cubic meter (3,900 cubic yard) building uses about a thousand metric tons. Iraq thrives paradoxically because of its war with Iran, thanks to the huge sums of money sent in aid by Gulf countries. Construction continues apace in the United Arab Emirates, especially Abu Dhabi, partly because of infrastructure projects, partly because there is still enough money in the kitty for prestige projects.

Of the materials used for the industry, cement is the most prominent and one of the best established industries in the Middle East. Saudi Arabia and the UAE plan to be self-sufficient by the mid-1980s. Other countries are constantly increasing production, many with West German or British equipment. Imported cement comes from Europe, India and the Kenyan cement works at Bamburi, often by way of floating silos, as at Aqaba in Jordan and near Muscat in Oman, which can offload either into bulk carriers or into bagging apparatus. None of the Gulf cement is sulphate-resistant, an essential for foundations in the area because of the high salt content of the soil, and specially treated cement still has to be imported, either ready for use or in aggregate form.

Ras al-Khaima, an emirate of the UAE, is hoping to corner the Gulf market for white cement, used for decorative finishes, with a plant to be completed in 1984 producing 300,000 tons a year. Only this relatively impoverished emirate has the right quality of

limestone. Local rock is also being used in Fujairah, another of the emirates, in two small plants producing rock wool and ceramics, mainly for the local and Omani markets.

Steel is imported in different stages of preparation, generally now by local suppliers, either nationalized, as in Iraq, Syria, Egypt and Libya, or private, as in Saudi Arabia, the UAE and Jordan. The source depends to some extent on which developed country, if any, dominates the consultancy market and writes out the specifications of a given contract.

Japanese steel has become more and more popular; there is plenty of it, it is cheap and the quality is good. U.S. steel is not much seen; British steel predominates in the UAE and Oman and also in specialized fields. A British company, H.H. Robertson, has done well exporting architectural steel to the Middle East. South Korea is also investigating the market.

Some of the Japanese steel is sold through joint ventures, as are many other construction materials. This is one of the results of nationalization, or "localization" control of the country's development. But it is not only politics that makes the joint venture attractive: customers are also glad to avoid import headaches by buying locally. The Japanese have set up several steel ventures, in particular in Egypt and Saudi Arabia, where they are manufacturing pipes from Japanese feedstock. The Danish firm of Høpner has a joint venture in Qatar to manufacture paint. Britain's ICI has a similar arrangement with a Jordanian company to manufacture emulsion and alkyl resins for the Middle East.

A different sort of example of foreign enterprise setting up with an eye to local acceptability is the French ceramics company Ceris, which establishes brick works in Egypt using sophisticated technology to make its products from desert clay instead of riverside clay, which, since the High Dam was completed, is no longer being replenished by the annual Nile flood.

Vehicle assembly plants are another kind of joint venture, though generally for smaller units. The Middle East appetite for vehicles is as voracious as ever, and most

countries in the area have such plants. Fiat is building a plant with the Libyans near Tripoli to assemble 10,000 vehicles a year, mainly for domestic use. Fiat is also breaking into the Iraqi and Saudi markets, though not yet to the point of assembly plants.

In most parts of the area heavy transport vehicles are imported through private or government agencies. Sometimes, as in the Gulf, this is compulsory as a means of spreading the spin-off from oil wealth. Gone are the days when contractors imported their own vehicles and most are thankful to be free of the burden, which included the nightmarish business of providing certificates of origin for all spare parts.

Caterpillar of the United States is still way ahead for really large equipment, built movers especially, and has the best reputation for service and spare parts. Its nearest rival is the Japanese Komatsu, seen as better for smaller equipment, and the West German Daimler-Benz, which is strengthening its position in Iraq by setting up training schools for mechanics. A criticism of U.S. vehicles has been that they are sometimes too complicated for the inexperienced mechanic.

Exceptions to this general rule are made for specific projects. Mack Trucks Australia, for instance, has built two cab and chassis units for a particular road construction job in North Yemen, and there is a tender out for six heavy-load transport vehicles to haul petrochemicals modules to the new Saudi port of Jubail.

There is still an awful lot of the Middle East that cannot yet be reached by road, let alone by any sort of bulk carrier, and roads play a large part in development plans. Iraq is particularly vulnerable, because of the war, most of its imports come by land and trucks have exacted a costly toll from roads and bridges. Special cement sometimes has to be imported for road construction, as well as bitumen, which is supplied through local agents, sometimes in joint ventures with oil majors. Supplies come from as far away as Singapore and Curaçao, though there are bitumen refineries in Jordan and Bahrain.

Transporting bitumen remains a

problem. Contractors who have been in a country a long time sometimes have their own bitumen heaters on site. Others, where the supply can be depended upon, plan their projects to fit in with the regular arrival of trucks, some of which may be insulated, others incorporating their own heaters. MEDP Corp. of Switzerland is among those building bodies for such trucks. Elsewhere, as with the military airfields in Oman, for instance, at Khassab in the Musandam Peninsula, the bitumen is transported in barrels by barge and has to be blended on site.

Over the last 10 years public and private clients in the Middle East have learned about quality the hard way. The reason Gulf sheikhs build themselves so many palaces, it is said, is because they reckon the lifetime of each is so short. Already in Abu Dhabi they are knocking down multistorey blocks, with the greatest of ease, that are sometimes no more than five years old.

Land is more expensive now, and so are building costs. More research has been done into the climatic problems of the area, for steel and concrete especially. Corrosion along the flat salt marsh shores of the Gulf is some of the worst in the world. Thermal movement from expansion and retraction in the wide-ranging temperatures of the desert has led to modified specifications for steel and concrete. Local involvement is greater at all stages of a project and technicians from all over the world with an enormous variety of experience of a wide range of materials are working in local concerns. Everyone wants to sell to the Middle East.

Recession is as topical here as elsewhere. But its effects are more muted and many oil governments are relieved at the slower tempo of development, finding it easier in the present mood to assess the lasting value of a project. There is still plenty of scope for suppliers of materials and equipment, but they would be well advised to check the worthiness of projects on hand before too heavy a commitment. Always take a local representative with you and watch out for corrupt pettits.

— SARAH SEAIRIGHT

50
years in Engineering
(1932-1982)

Sezai Türkes Feyzi Akkaya
İnsaat A.S.
(Construction Co.)

Istanbul-Turkey



INFRASTRUCTURAL WORK — In Sana'a, North Yemen, workers dig a trench for water pipes. The Arab world contin-

ues to be a source of construction contracts as its governments push to develop vital national infrastructures.

مكتبة الجليل

France, Banks Settle Loan Terms

(Continued from Page 13)

ited to external debt and to debt held only by banks in this syndicate.

This is rather meaningless, as the government rarely borrows in its own name. Usually state agencies tap the market carrying the guarantee of the government. As a result, the bankers did win a concession of extending the cross-default to any external loan guaranteed by France and held by any bank in the syndicate.

Before the final showdown, France had agreed to reduce the number needed to declare this loan in default to 51 percent of the lenders from the two-thirds it had first proposed. In addition, France now has a seven-day grace period to be late in paying interest or principal before lenders can call for a vote of default. This was down from the 15 days initially sought.

The banks did not get the information memorandum they had been seeking detailing the financial situation of the government.

They are also not getting the pre-signing dinner that many consider traditional.

"After all," one banker said, "it's not every day that they raise \$4 billion."

"The French are handling this in an incredibly low-keyed way for such a prestigious operation," complained another, adding that "there's a certain amount of arrogance in not even having the minister of finance scheduled to attend the signing."

Société Générale, which is organizing the ceremony, explains that a dinner was ruled out as unwieldy because of the large number of participants. The bank also notes that Michel Camdessus, director of the Treasury, will be the government's official representative. Finance Minister Jacques Delors will attend if he is able to, but Société Générale says it did not want to commit him and then disappoint the lenders if he was suddenly unable to show up.

While the government itself paid half a point over the London interbank offered rate for its 10-year loan, which will be used to help defend the franc on the foreign exchange market, Snecma, the state-owned aviation company, slipped

in and out of the market with a small loan bearing a split margin of 1/4 point over Libor. Originally set at \$100 million, the loan was increased to \$120 million after \$170 million had been raised in syndication.

The loan is for eight years but can be extended to 10 if the lenders are willing. The low 1/4 point margin applies for the first 4 1/2 years. Snecma is paying a quarter-point commitment fee and a quarter-point management fee.

This was Snecma's first syndicated credit and its success was linked to bankers competing to win favor and business with the firm.

Elsewhere, Spain surprised bankers who had thought its borrowing for the year was completed by mandating Manufacturers Hanover Trust to syndicate a \$200-million loan. The eight-year deal will be priced entirely over the prime rate of U.S. banks. There will be a standard formula tying the margin to the rate for certificates of deposit, assuring both Spain and the lenders that if the prime rate gets stuck for political reasons a true money market rate will be used as the base rate.

Credit worries about Spain itself abated last week when IMF-owned Endesa informed bankers that it had transferred the money needed to pay the late interest payment on Aluminio Español's \$200-million loan. Failure by the subsidiary of the state holding company to honor its guarantee for Aluminio's debt had prompted lenders to threaten suit.

The Bank of Greece, using the state refinancing company Aspiropagos, will be tapping the domestic pound market for \$80 million by offering five-year sterling acceptances.

The Greek telecommunications company OTE will tap the Euro-dollar market for up to \$150 million later this year.

Italy's Ferrovie dello Stato is asking for terms needed to raise \$250 million.

From Canada, Hindson's Bay Co. is seeking \$100 million for five years, offering to pay 1 point over Libor.

The Ivory Coast, seeking \$150 million for eight years at 1 1/4 points over the London interbank offered

rate or 1 1/4 points over the prime rate, has been stuck since August with Bankers Trust and Mitsubishi Bank unable to draw other banks into the underwriting group. They are now asking banks to come into the deal for only \$10 million, down from the \$30-million commitments sought earlier.

Officials of the International Monetary Fund and the World Bank participated at meetings in New York and London of potential participants, telling them that the Ivory Coast was on track in the second year of an IMF-supervised stabilization program and that both institutions had a favorable view of the credit.

IMF officials also gave bankers a pep talk on Yugoslavia and its efforts, now virtually completed, to raise \$200 million from North American and Japanese banks.

IMF officials report they are taking a more active role in "improving communications with commercial banks" and are participating in a "very informal" way to share factual information.

In the Far East, the Bank of Thailand is asking banks to lend it \$200 million for eight years at a margin set mostly at 1/4 point over Libor. The terms are extremely tight, but given the current interest in Asian loans, bankers do not rule out the possibility that Thailand will find lenders.

Chile's Codelco is sounding the market for terms on a \$300-million loan.

Argentina, Banks Near Accord

Argentina and its British bankers are close to an agreement to defer for 180 days from maturity the public sector debts that fell due while joint financial sanctions were in force. Reuters quoted banking sources as saying Friday in London.

At least one major British bank plans to sign the agreement here this week, they said. Accords are being finalized with each bank separately, following linked negotiations, they added.

IMF Said to Back Chile Loan

Jacques de Larosière, the IMF's managing director, supports Chile's application for a standby credit to reactivate its economy. Reuters quoted a Chilean Central Bank communiqué as saying Friday in Santiago.

The IMF has advised the Chilean Finance Ministry and the Central Bank about Mr. de Larosière's decision, the bank said.

Chile hopes to get about \$900 million from the fund under the standby credit and other IMF facilities. Formal approval by the fund's executive board is expected around mid-December.

Venezuela Refinancing Offers

Venezuela has received offers to refinance \$932 million in short-term foreign debt. Reuters quoted the public credit director, Erika de Sullivan, as saying Friday in Caracas.

The offers are the first results of Finance Minister Luis Ugo's mission to the United States and Europe to seek refinancing of up to \$5.7 billion in short-term debt. Mr. de Sullivan said a reply may be given sometime next week.

Investing in the oil and gas industry through

Viking Resources International N.V.

Listed on the Amsterdam Stock Exchange.

The quarterly report as of 30th September, 1982 has been published and may be obtained from

Pierson, Hekking & Pierson N.V. Herengracht 214, Amsterdam.

September, 1982

Kuwait Prepared to Compromise On OPEC Output Quotas, Prices

Compiled by Our Staff From Dispatches

KUWAIT — Kuwait was prepared to accept "compromise proposals" at the next ministerial meeting of OPEC to ease differences on production quotas and prices. Oil Minister Ali Khalifa al-Sabah was quoted as saying.

"We are ready to accept a compromise, even if some sacrifices are involved in the short run, provided these are just and enforced on all [OPEC members]," Sheikh al-Sabah told the newspaper Al-Wakeel on Saturday.

Kuwait, whose reserves of crude oil are officially put at 72 billion barrels, has had difficulty marketing its heavy crude oil due to the lower prices offered by other OPEC members for their higher-grade crudes.

Earlier this month, Kuwait joined the five other members of the Gulf Cooperation Council at a meeting in Oman to draft oil pricing and production policies.

U.S. Envoy Says He Regrets News Story on French Loan

(Continued from Page 13)

Reagan, said he initiated the exchange Saturday with the French government.

"Somehow or other, a reporting telegram, one of a series of them, confidential and classified documents, was put into the hands of The Wall Street Journal," he said. "This is itself illegal and I am notifying the attorney general. Secondly, the article was entirely misleading. I wanted to be sure that the French government was not damaged by this and I did state our regrets."

Efforts to reach officials of The Wall Street Journal for comment were unavailing Saturday.

The newspaper's account, appearing under a New York dateline, quoted from what it said was one of the ambassador's messages concerning the loan in this passage:

"Mr. Galbraith cabled that '... American banks from the beginning felt vulnerable to French pressure because of the banks' activity in France. [U.S. banks] made it clear that, from the beginning, the U.S. banks' subscriptions to the loan were motivated out of fear that the French could reallocate specifically with negative decisions on outstanding requests now before French authorities.'"

Mr. Galbraith said he had not written any of the cablegrams. Rather, he said, it is normal State Department practice that all cablegrams leaving a post are signed off

by the ambassador when he is present in the country.

The ambassador said the messages were "reporting cables." The newspaper, he said, made a "despicable story" out of them.

When he was asked to explain references in the cablegrams to the Finance Ministry, Mr. Galbraith said the attitude of the ministry was not represented, "just perhaps some guy way down the line."

The loan, which France began to seek a month ago, is a standby facility that the government here could draw on when needed, mainly to support the French franc in exchange markets. Because the French had not borrowed in the market in several years, Mr. Galbraith said, "they took some very strong positions that were resisted and these created arguments."

"Most of all of this was satisfactorily worked out from the banks' point of view and the loan was arranged," he said.

Mr. Galbraith referred to the publication of the cables as a "criminal matter" that, he said, "gave a routine dispute a great deal of meaning."

The ministry's statement maintained that "all during the placement of this loan there was strict avoidance of all contact by the ministry with the banks likely to subscribe." The ministry's only involvement with a bank during the subscription was with the loan manager, Société Générale, the communiqué said.

Bond Prices Fall After M-1 Surge

By Michael Quint

New York Times Service

NEW YORK — Short-term interest rates rose more than a quarter of a percentage point and long-term bond prices fell sharply Friday as credit market participants decided that the Federal Reserve

was not acting to reduce interest rates as quickly as they expected.

Many analysts now doubt that another cut in the discount rate is imminent.

The increase in short-term and long-term interest rates gained momentum late in the day after the Fed announced a larger-than-expected \$3.2 billion increase in the basic U.S. money supply, known as the M-1, for the week ended Oct. 13.

Some analysts attributed the increase to a buildup in checking accounts that matured early in the month but were not immediately reinvested.

Traders and economists also said that interest rates rose because the Federal Reserve did not announce a reduction in the the discount rate, which had been in financial institutions. That rate is now 9 1/2 percent.

Although Fed officials have repeatedly said that changes in the kinds of accounts offered by banks and thrift institutions are distorting the basic money supply measure, analysts are not completely ignoring the weekly data.

The numbers suggest that there is no room for another discount rate cut, just yet, said William O. Sullivan Jr., a senior vice president at the Bank of New York. "The Fed has not abandoned the monetary aggregates in their entirety, and may be waiting to see what ef-

fect the recent rate reductions have on consumer psychology and the money supply.

Robert Schwartz, a money market economist at Merrill Lynch, said: "Intellectually, the markets understand that they should not be paying so much attention to the money supply numbers. But the reality is that the Fed did not cut the discount rate. A half-point cut in the discount rate was needed to validate the earlier price gains, and a one-point cut was needed to fuel any further advances."

David Jones, chief economist at Aubrey G. Lanston & Co., said that further declines in interest rates are not likely until spring. After watching the prime fall 4.5 percentage points since midyear, the Fed may want to see the economy's response before easing further, he said.

By late Friday rates on three-month and six-month Treasury bills had increased by more than a quarter of a percentage point, to 7.88 percent and 8.35 percent, respectively. Most of the increase in bill rates occurred after the money supply announcement.

In the note and bond market, price declines ranged from half a point for newly issued two-year notes to 2 1/2 points for long-term bonds, with about half of the price declines occurring after the money supply data.

A breakdown of the components of the M-1 showed that currency in circulation rose \$300 million, mainly for newly issued two-year notes to 2 1/2 points for long-term bonds, with about half of the price declines occurring after the money supply data.

Economists in and out of the Federal Reserve agree that the growth of interest-bearing checking accounts is continuing in overstate the actual growth in amount of money the public has available

for spending. At a time of economic uncertainty, with 10.1 percent unemployment, many households want to keep their savings as liquid as possible and are holding funds in interest-bearing checking accounts rather than in a higher-yielding, but less liquid, savings certificate, analysts said.

Including the latest week's increase, to \$468.3 billion, the level of M-1 is well above the Fed's short-term and long-term growth targets. The annualized M-1 growth of 11.9 percent in the latest quarter and 7.3 percent in the latest year are both higher than the Fed's 1982 target of 2 1/2 percent to 5 1/2 percent.

West German Rates

Helmut Geiger, the president of the West German Savings Bank and Giro Federation, said in an interview Sunday with West German radio that interest rates could drop on a broad front this week. Reuters reported from Cologne.

The Bundesbank on Thursday cut its discount rate, at which it lends to commercial banks, by one percent to six percent, the lowest since February 1980.

But Mr. Geiger added that actions by the United States would continue to play a key role in determining West German levels. West European interest rates have generally eased recently in line with lower U.S. rates.

U.S. Consumer Rates

For Week Ended Oct. 22

Passbook Savings 5.50 %

"All Savers" Certificates 7.48 %

6-Month Savings Certificates 8.73 %

Tax-Exempt Bonds

Bond Buyer 20-Bond Index 9.69 %

Money Market Funds

Dreyfus's 7-Day Average 9.10 %

Home Mortgage

FHA 30-Year 14.23 %

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HT 28

Uncertainty Over Rates Halts Boom on Eurobond Markets

(Continued from Page 13)

the warrants are not worth more than \$5.

In the floating rate market, the State Bank of New South Wales is offering \$50 million of negotiable certificates of deposit. This five-year paper is aimed at the institutional market, with paper sold in minimum denominations of \$500,000. Interest will be set at 3/16 point over the London interbank offered rate.

The Deutsche mark sector was buoyed following the Bundesbank's cut of the both the discount and Lombard rates by a full percentage point, double what the market had been anticipating. On Monday, the government is expected to break below the 8-percent barrier when it announces a domestic issue of up to 1.8 billion DM. Bankers expect a coupon of 7 1/2 percent but suggest this will require a seven-year maturity rather than the 10-year life the government would prefer.

The European Community will also come to market for 200 million DM, but it will be seeking a maturity of at least 10 years, preferring 12 years. This rules out any chance of its offering a coupon of less than 8 percent, bankers say.

Last week, the Council of Europe sold 125 million DM of 10-year bonds bearing a coupon of 8 1/4

percent priced at a discount of 99 1/2.

In the Eurosterling market, the World Bank is offering \$75 million of 8 1/2-year bonds bearing a coupon of 11 1/4 percent at a discount of 99 1/2. Only 30 percent of the purchase price needs to be put up on Nov. 11, with the remainder due by April 22.

In the Canadian dollar sector, Hydro Quebec increased its issue to 60 million dollars from the initially indicated 50 million. The 10-year bonds, bearing a coupon of 14 percent, drew support from investors attracted by the high coupon, dealers said.

Market Turnover

For Week Ended Oct. 22

(Millions of U.S. Dollars)

Codel 7,513.1 4,664.2 846.9

Euroclear 13,841.7 12,943.9 896.8

Calculated by the International Stock Exchange

Investing in the oil and gas industry through

Viking Resources International N.V.

Listed on the Amsterdam Stock Exchange.

The quarterly report as of 30th September, 1982 has been published and may be obtained from

Pierson, Hekking & Pierson N.V. Herengracht 214, Amsterdam.

September, 1982

THIS ANNOUNCEMENT APPEARS AS A MATTER OF RECORD ONLY

ISTITUTO MOBILIARE ITALIANO

U.S.\$44,163,508
12 YEAR LOAN FACILITY

MANAGED BY
BANQUE DE LA SOCIETE FINANCIERE EUROPEENNE
SFE GROUP

THE SUMITOMO BANK, LIMITED

PROVIDED BY
SFE BANKING CORPORATION LIMITED
SFE GROUP

THE SUMITOMO BANK, LIMITED
HAMBROS BANK LIMITED
ASSOCIATED JAPANESE BANK (INTERNATIONAL) LIMITED
MILANO BANK FRANCE S.A.
THE BANK OF YOKOHAMA, LTD.

COORDINATING BANK
BANQUE DE LA SOCIETE FINANCIERE EUROPEENNE
SFE GROUP

AGENT BANK
THE SUMITOMO BANK, LIMITED

September, 1982

These Securities having been sold, this announcement appears as a matter of record only.

New Issue

October 21, 1982

\$100,000,000

Anheuser-Busch Companies, Inc.

11 1/8% Sinking Fund Debentures due October 1, 2012

Dillon, Read & Co. Inc.

The First Boston Corporation

Merrill Lynch White Weld Capital Markets Group

Bear, Stearns & Co.

Drexel Burnham Lambert

L. F. Rothschild, Unterberg, Towbin

Warburg Paribas Becker

Goldman, Sachs & Co.

Salomon Brothers Inc.

Blyth Eastman Paine Webber

E. F. Hutton & Company Inc.

Shearson/American Express Inc.

Wertheim & Co., Inc.

Lehman Brothers Kuhn Loeb

Bache Halsey Stuart Shields

Donaldson, Lufkin & Jenrette

Lazard Freres & Co.

Smith Barney, Harris Upham & Co.

Dean Witter Reynolds Inc.

[illegible]

100-443887-100

By The Chase Manhattan Bank, N.A., London
Agent Bank

Class B Common Stock

Pictet International

Haiti-French Bank

430	17.50-20.50	40.00-44.00	50.00-52.00
450	10.50-13.00	21.50-35.50	53.00-54.00

1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 2679, 26

Over-the-Counter

(Continued from Page 16)

Sales In	100s	High	Low	Last	Net	Chgs
Alcoa	1432	21.75	21.75	21.75	+1.00	
Aluminum	1432	21.75	21.75	21.75	+1.00	
Aluminum	1432	21.75	21.75	21.75	+1.00	
Aluminum	1432	21.75	21.75	21.75	+1.00	
Aluminum	1432	21.75	21.75	21.75	+1.00	
Aluminum	1432	21.75	21.75	21.75	+1.00	
Aluminum	1432	21.75	21.75	21.75	+1.00	
Aluminum	1432	21.75	21.75	21.75	+1.00	
Aluminum	1432	21.75	21.75	21.75	+1.00	
Aluminum	1432	21.75	21.75	21.75	+1.00	

Sales In	100s	High	Low	Last	Net	Chgs
Alcoa	1432	21.75	21.75	21.75	+1.00	
Aluminum	1432	21.75	21.75	21.75	+1.00	
Aluminum	1432	21.75	21.75	21.75	+1.00	
Aluminum	1432	21.75	21.75	21.75	+1.00	
Aluminum	1432	21.75	21.75	21.75	+1.00	
Aluminum	1432	21.75	21.75	21.75	+1.00	
Aluminum	1432	21.75	21.75	21.75	+1.00	
Aluminum	1432	21.75	21.75	21.75	+1.00	
Aluminum	1432	21.75	21.75	21.75	+1.00	
Aluminum	1432	21.75	21.75	21.75	+1.00	

Sales In	100s	High	Low	Last	Net	Chgs
Alcoa	1432	21.75	21.75	21.75	+1.00	
Aluminum	1432	21.75	21.75	21.75	+1.00	
Aluminum	1432	21.75	21.75	21.75	+1.00	
Aluminum	1432	21.75	21.75	21.75	+1.00	
Aluminum	1432	21.75	21.75	21.75	+1.00	
Aluminum	1432	21.75	21.75	21.75	+1.00	
Aluminum	1432	21.75	21.75	21.75	+1.00	
Aluminum	1432	21.75	21.75	21.75	+1.00	
Aluminum	1432	21.75	21.75	21.75	+1.00	
Aluminum	1432	21.75	21.75	21.75	+1.00	

NBA Contract Talks: Owners Seek a New Deal

By Gerald Eskenazi
New York Times Service

NEW YORK — Since the 1960s, David Stern and Larry Fleisher have stared at each other across the bargaining table, sometimes screaming, sometimes laughing, but always able to work out a solution.

The two lawyers are at it again these days. Stern argues the case for the National Basketball Association as its executive vice president and chief negotiator, while Fleisher pleads for the NBA Players Association as its director. The object: a new contract to replace the one that expired June 1.

The season opens next Friday, yet the two have presented a calm public posture. Outwardly there are no harsh words, no threats, no angry stalling out of negotiations — the sort of unproductive, sabotaging by-play that has marked the National Football League talks.

Even though it might appear there are no major issues for the players — after all with an average of about \$220,000 apiece, they are as a group the world's highest paid athletes — it is a difficult time for the sport. The league believes it cannot continue its system of free-market free-agency and salaries with no ceilings. In any given season, says the league, only four or five of the 22 teams make money.

In an ironic twist, the league is asking that the players' salaries be based on a percentage of the team's revenue, according to a source close to the negotiations. That is directly opposite the position taken by NFL owners and players.

There is something almost comical about the two NBA warriors, Fleisher and Stern, in their confrontations.

As one inside observer explains, "Fleisher doesn't have to worry about going back to his players and explain all his actions, as Ed Garvey must do in football. Fleisher's been doing this since 1963. He knows all the answers. He doesn't need his players' permission to do anything."

And Stern has been involved with the league for 15 years. He's out an outside guy hired to come in. He doesn't feel pressured to get instant results. That's what has happened with Jack Donlan in the NFL.

In conversations with many key figures involved in the NBA talks, as well as with others familiar with the issues, a picture of a sport emerges that has little in common with pro football's issues. Pro basketball, with its small squads, 82-game regular-season schedule, less cumbersome front offices and uninhibited owners, is not as rigid and possesses fewer secrets.

Larry O'Brien, the NBA commissioner, doesn't adopt a detached attitude at the negotiations — he has already attended two negotiating sessions.

Neither Commissioner Bowie Kuhn of baseball nor Commissioner Pete Rozelle of the NFL attended talks in the early stage. Both had surmises.

But O'Brien enjoys pressing the flesh. He was skilled at bringing people and issues together in the 1960s, when he helped steer

through Congress many of President Johnson's programs.

His basketball manipulations, however, have not produced windfalls or pork barrels for his owners. They want to share in the basketball money that only the players seem to be making.

Owners view the NBA — which collectively lost \$15 million last season — as being on the verge of financial success. Last year network television ratings rose. So did attendance. Each team this season will receive a total of \$12 million from CBS-TV, and the ESPN and USA cable companies.

In previous years, cable companies weren't interested. Now, too many owners, cable-TV is just over the rainbow. Yet there are some clubs that will never share the dream because of their smaller markets and their inability to compete financially. Those clubs cool the only answer is to share the wealth — just as everyone does in the NFL.

That argument doesn't impress labor.

"What the owners are doing is, they're asking the players, 'Save us from ourselves,'" is the view of a pro-labor observer. "The owners are asking the employees to stop the spending money."

The owners attempted to put a team wage ceiling on salaries. A court-appointed special master turned that down.

The ceiling was designed to save the owners from themselves. It might have prevented the reoccurrence of the Moses Malone situation — Malone was a free agent after playing with Houston and received a \$2-million-a-year offer from Philadelphia. The Rockets were entitled to match the offer and they did. Finally, they made a deal and sent him to Philadelphia.

Houston, which couldn't afford him, was ready to match the offer, notes an expert on the work-



Moses Malone of the Philadelphia 76ers. Exhibit A: The ceiling was designed to save the owners from themselves.

ings of the NBA. "They were chasing just to stay even."

The league's latest bargaining play is its demand for givebacks, which one observer calls "something that has never happened in the history of sports negotiations."

Among the giveback demands are a slicing of the roster from 12 players to 10. But practical basketball people know that is impossible. How can you scrimmage if you only have 10 players and one is injured?

The league also says it wants to take away first-class air travel.

How many 6-foot-9-inch, 250-pound people can sit three abreast for a few hours? And if they did, what sort of shape would they be in to play a game?

Perhaps most unsettling to many players is the attempt by the league to eliminate the guaranteed contract — under which a player is paid for the life of the contract, whether or not he performs.

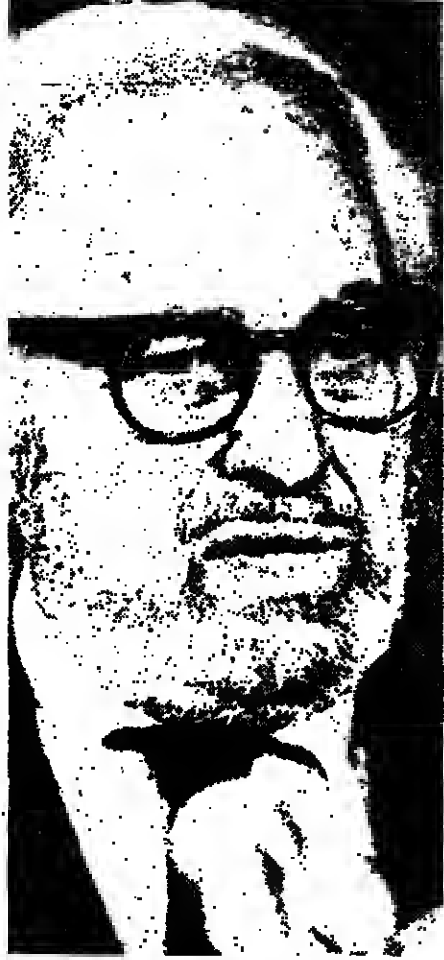
Fleisher says he has not given the league a deadline for settling. Nor, he says, has the league given him one before it would put into effect the givebacks.

Treasury Bills

10-28-1982	Rate	Yield
11-15-82	7.875	7.875
11-22-82	7.875	7.875
11-29-82	7.875	7.875
12-6-82	7.875	7.875
12-13-82	7.875	7.875
12-20-82	7.875	7.875
12-27-82	7.875	7.875
1-3-83	7.875	7.875
1-10-83	7.875	7.875
1-17-83	7.875	7.875
1-24-83	7.875	7.875
1-31-83	7.875	7.875
2-7-83	7.875	7.875
2-14-83	7.875	7.875
2-21-83	7.875	7.875
2-28-83	7.875	7.875
3-6-83	7.875	7.875
3-13-83	7.875	7.875
3-20-83	7.875	7.875
3-27-83	7.875	7.875
4-3-83	7.875	7.875
4-10-83	7.875	7.875
4-17-83	7.875	7.875
4-24-83	7.875	7.875
5-1-83	7.875	7.875
5-8-83	7.875	7.875
5-15-83	7.875	7.875
5-22-83	7.875	7.875
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9-4-83	7.875	7.875
9-11-83	7.875	7.875
9-18-83	7.875	7.875
9-25-83	7.875	7.875
10-2-83	7.875	7.875
10-9-83	7.875	7.875
10-16-83	7.875	7.875
10-23-83	7.875	7.875
10-30-83	7.875	7.875
11-6-83	7.875	7.875
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12-4-83	7.875	7.875
12-11-83	7.875	7.875
12-18-83	7.875	7.875
12-25-83	7.875	7.875
1-1-84	7.875	7.875
1-8-84	7.875	7.875
1-15-84	7.875	7.875
1-22-84	7.875	7.875
1-29-84	7.875	7.875
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1-28-85	7.875	7.875
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1-13-86	7.875	7.875
1-20-86	7.875	7.875
1-27-86	7.875	7.875
2-3-86	7.875	7.875
2-10-86	7.875	7.875
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10-26-86	7.875	7.875
11-2-86	7.875	7.875
11-9-86	7.875	7.875
11-16-86	7.875	7.875
11-23-86	7.875	7.875
11-30-86	7.875	7.875
12-7-86	7.875	7.875
12-14-86	7.875	7.875
12-21-86	7.875	7.875
12-28-86	7.875	7.875
1-4-87	7.875	7.875
1-11-87	7.875	7.875
1-18-87	7.875	7.875
1-25-87	7.875	7.875

SPORTS

Mediator Calls Recess in NFL Strike Negotiations



Sam Kagel
Time to 'reexamine and reassess'

By Michael Janofsky
New York Times Service

COCKEYSVILLE, Maryland — The latest round of the National Football League labor negotiations ended Saturday, and not negotiably.

Sam Kagel, the 73-year-old private mediator who joined the talks 12 days ago, recessed them, suggesting that the parties "re-examine and reassess" their positions on the issues perpetuating a strike now 33 days old.

Where and when negotiations will resume was not decided. Nor was it decided that Kagel would be involved in them.

But it was made clear by Jack Donlan, the executive director of the NFL Management Council, that "it makes no sense" to him or his negotiating committee to return to bargaining if the players association continues its present position.

The season, meanwhile, remains in jeopardy. This was the fifth weekend in which there were no games, and the league is expected to announce soon that no games can be played next weekend.

Only two weekends, league officials have said, can be made up.

The recess in negotiations was announced Saturday morning by Kagel, who said that after the parties agreed on a number of important economic issues, they could not agree on the "extremely complex" economic issues, including the framework for wage distribution, which is judged by both sides to be the most complex issue of all.

In that sense, the parties are no closer to a new collective bargaining agreement than they were Feb. 16, when negotiations began.

The "gulf," as Donlan called it, remains conceptual in nature. The union is still demanding that players' salaries be paid from a central fund. The owners are still demanding that players be paid through individual contract negotiations.

Donlan even suggested that Kagel "on

any number of occasions" told union leaders that the central fund was "nonsense." In response, Gene Upshaw, the union president, said:

"Jack Donlan is a liar. The mediator over-ruled our wage compensation package was nonsense."

As they have before, Donlan and Ed Garvey, the executive director of the players association, blamed each other for the differences that remain.

"These two weeks have given Ed Garvey a chance to write a textbook on how not to bargain," Donlan said.

Said Garvey: "Not one dollar has moved across the table. We're willing to negotiate dollar amounts, but they're still refusing to bargain collectively with this union."

Both Donlan and Garvey said that pressures will dictate which side flinches — pressures from owners of the 28 clubs upon Donlan, according to Garvey; pressures from the union membership upon Garvey, according to Donlan.

Garvey was to get another reading of his players Sunday afternoon, when the 28 team representatives to the union, and possibly other players, were scheduled to meet in Washington.

Garvey said that the gathering of the team representatives, the first such meeting since Aug. 31, will give the union's executive committee a chance to discuss progress in negotiations upon Kagel and prospects for the future, in light of an increasing number of reports that some players around the league will be willing to report to camps, even while negotiations continued.

"It won't be difficult holding our people together," Upshaw said.

"They have been solid and unified over this. There's no way the players are going back to play football under the present system. That's the reason we're on strike."

The management council's executive committee — the six men who formulate the

league's bargaining position — will meet "probably Monday," Chuck Sullivan, the committee chairman, said Saturday from New York.

Sullivan also said that it is unrealistic for the union to assume that the regular season would include all 16 games, that the date of the Super Bowl XVII would be moved from Jan. 30 and that the players, upon returning to work, would be refunded all their lost pay — three assertions Garvey made here during the weekend.

Garvey said that the number of games played is a subject of negotiation, not an arbitrary decision to be made by NFL Commissioner Pete Rozelle.

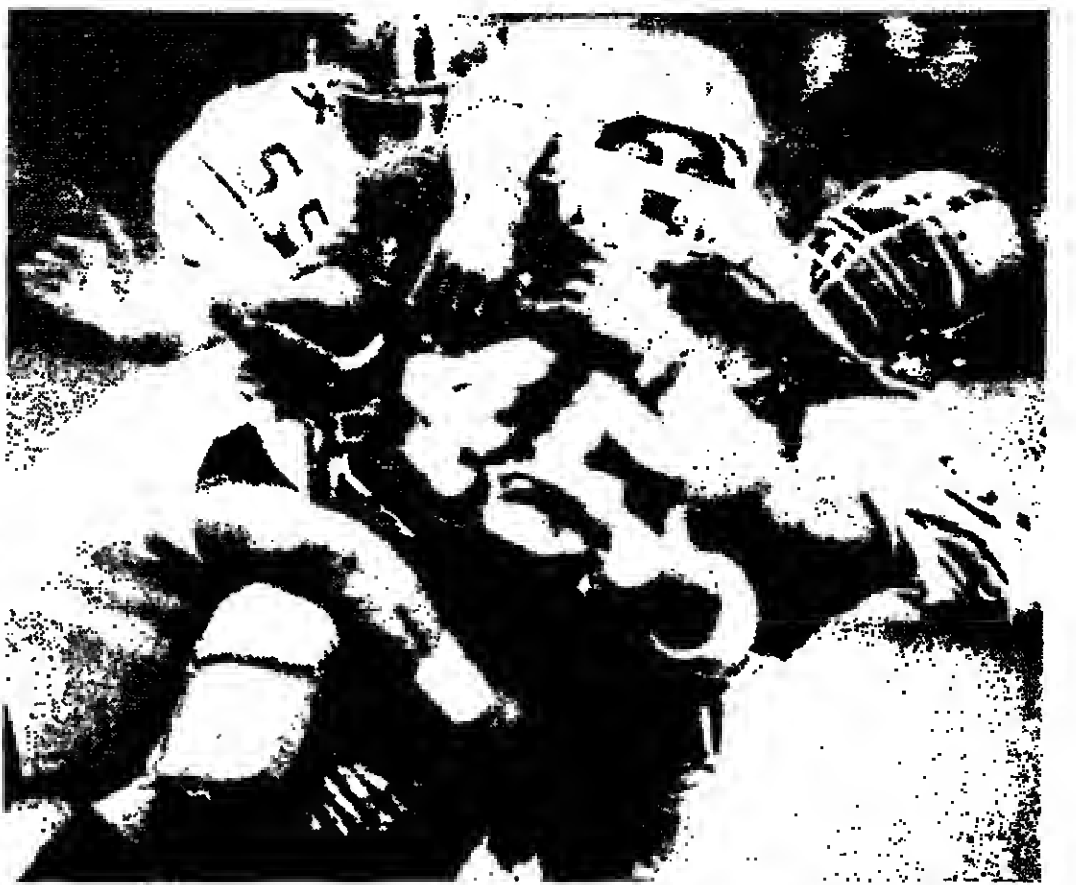
Garvey also said that Sargent Karch, an attorney for the management council, "suggested" that the Super Bowl could be pushed back to accommodate rescheduling of lost regular-season games ("He absolutely did not," Donlan said).

Garvey added that the recent announcement by William A. Lubbers, the general counsel of the National Labor Relations Board, that he would file a complaint charging the league with unfair labor practices means that players are entitled to back pay.

In fact, for striking workers to get back wages lost during a strike that is ultimately determined to be over unfair labor practices, the workers would have to make an "unconditional offer" to return to work, prove that jobs are available, then not be given those jobs. In that case, the workers would be entitled to their jobs and back pay.

The final determination of whether the strike is over economics (in which case workers would not be entitled to back pay and jobs) or whether it's over unfair labor practices could take years.

Garvey said that he would contact Donlan sometime Sunday to discuss resumption of the talks. "Maybe I'm overly optimistic," Garvey said. "But my guess is we could start bargaining as early as Sunday night."



Syracuse running back Jaime Covington was gang-tackled during Saturday's first half, shortly after he had gone 54 yards for a touchdown that was nullified on a penalty. Pittsburgh won, 14-0.

79-Yard Score on Pass Deflection Helps SMU Get Past Texas, 30-17

Compiled by Our Staff From Dispatches

AUSTIN, Texas — Wide receiver Bobby Leach grabbed a pass that bounced off a defender's shoulder pads and streaked downfield to complete a 79-yard touchdown play to snap a 6-0 start and a scoring avalanche that gave Southern Methodist a 30-17 Southwest Conference victory Saturday over Texas.

Texas had fought back in the fourth quarter to tie the unbeaten Mustangs 10-10, with 8:35 to go. Quarterback Lance McIlhenny,

in put Nebraska ahead, then ran for an insurance touchdown two minutes later as the Cornhuskers downed Missouri, 23-19, in a Big Eight game. The first score wiped out a 13-9 Missouri lead.

Arkansas 38, Houston 3
In Houston, Danny Walters returned an intercepted pass 93 yards and quarterback Brad Taylor ran for two touchdowns and passed for another as Arkansas crushed Houston, 38-3, in the Southwestern Conference. It was the first time in five years that the Razorbacks had beaten the Cougars.

Alabama 21, Cincinnati 3
In Tuscaloosa, Alabama, quarterback Walter Lewis ran and passed for 217 yards, leading Alabama over Cincinnati, 21-3, and giving the Crimson Tide its 57th consecutive victory at home.

Notre Dame 13, Oregon 13
In Eugene, Oregon, Mike Johnston kicked a 35-yard field goal with 14 seconds left as Notre Dame salvaged a 13-13 tie with winless Oregon. The field goal was Johnston's 13th without a miss this season. Quarterback Blair Kiel, stifled by the Oregon defense throughout the game, set up the tying score with four consecutive pass completions to the final 1:15 of the game. Oregon (0-6-1) had appeared headed for a major upset.

Georgia Tech 31, Tennessee 21
In Atlanta, Jack Westbrook returned a punt 72 yards for one touchdown and sophomore Robert Lavette scored three others as Georgia Tech beat Tennessee for the first time in five years, 31-21. Westbrook's second-quarter punt return produced a 21-7 lead, and Tennessee, which had upset Alabama a week earlier, trailed by at least 10 points the rest of the game. With one second left in the first half, Tennessee's Fred Revicz kicked a field goal of 60 yards, a record for a Southeastern Conference team.

Illinois 29, Wisconsin 28
In Madison, Wisconsin, a 46-yard field goal by Mike Bass on the game's final play gave Illinois a wild 29-28 Big Ten victory over Wisconsin. The Badgers had taken a 28-26 lead with 52 seconds left when quarterback Randy Wright intentionally bounced a lateral to wide receiver Al Toon, who then threw a 40-yard touchdown pass to tight end Jeff Nault. But Wisconsin missed the extra-point kick, and Illinois quarterback Tony Eason, who completed 37 of 51 pass attempts for 479 yards, marched his team 51 yards in five plays to set up the game-winning field goal.

Tennessee's Revicz
A conference-record 60-yarder.

NHL Standings

Adams Division

Team	W	L	T	GF	GA	Pts
Montreal	5	2	3	26	17	13
Boston	4	2	3	20	19	11
Quebec	4	4	1	45	35	9
Hartford	2	4	5	25	44	4
Buffalo	2	5	1	21	36	5

Patrick Division

Team	W	L	T	GF	GA	Pts
Minnesota	5	1	3	37	25	13
Chicago	5	4	1	37	30	11
St. Louis	5	4	2	32	21	10
Toronto	1	4	5	27	32	3
Detroit	1	6	1	21	38	3

Smith Division

Team	W	L	T	GF	GA	Pts
Los Angeles	4	2	2	31	21	10
Winnipeg	3	4	2	43	45	8
Edmonton	3	4	2	40	45	8
Calgary	2	5	2	30	47	6
Vancouver	1	6	2	28	54	4

Fraser Division

Team	W	L	T	GF	GA	Pts
Winnipeg	5	1	0	40	22	10
Calgary	4	2	1	31	21	9
Edmonton	3	4	1	31	21	7
Winnipeg	2	5	1	27	30	5
Calgary	1	6	1	27	30	3

Golden State

Team	W	L	T	GF	GA	Pts
N.Y. Islanders	5	1	0	40	22	10
Boston	4	2	1	31	21	9
Edmonton	3	4	1	31	21	7
Winnipeg	2	5	1	27	30	5
Calgary	1	6	1	27	30	3

Golden State

Team	W	L	T	GF	GA	Pts
Winnipeg	5	1	0	40	22	10
Calgary	4	2	1	31	21	9
Edmonton	3	4	1	31	21	7
Winnipeg	2	5	1	27	30	5
Calgary	1	6	1	27	30	3

Golden State

Team	W	L	T	GF	GA	Pts
Winnipeg	5	1	0	40	22	10
Calgary	4	2	1	31	21	9
Edmonton	3	4	1	31	21	7
Winnipeg	2	5	1	27	30	5
Calgary	1	6	1	27	30	3

Golden State

Team	W	L	T	GF	GA	Pts
Winnipeg	5	1	0	40	22	10
Calgary	4	2	1	31	21	9
Edmonton	3	4	1	31	21	7
Winnipeg	2	5	1	27	30	5
Calgary	1	6	1	27	30	3

after quarterback Mike Jorgensen directed an 80-yard touchdown drive early in the fourth quarter to give the Ducks a 13-10 lead. Fullback Terrance Jones bulled over from 1 yard out with 10:37 left in the contest to give Oregon its only lead of the game.

Penn State 24, West Virginia 0
In Morgantown, West Virginia, Scott Radecie's 85-yard interception return for a touchdown keyed a strong Penn State defensive effort as the Nittany Lions breezed past West Virginia, 24-0. The Penn State victory, before 60,958, the largest sports crowd in West Virginia history, was its sixth in seven games. West Virginia, which has not beaten Penn State since 1955, dropped to 0-2.

UCLA 47, California 31
In Berkeley, California, UCLA defeated California for the 11th straight year as quarterback Tom Ramsey guided a 397-yard aerial attack in a 47-31 Pacific-10 Conference victory. Ramsey completed 17 of 23 pass attempts for 322 yards and two touchdowns. Reserve Rick Neuheisel threw one pass, for a 75-yard score, after Ramsey was bruised in the first half.

Georgia Tech 31, Tennessee 21
In Atlanta, Jack Westbrook returned a punt 72 yards for one touchdown and sophomore Robert Lavette scored three others as Georgia Tech beat Tennessee for the first time in five years, 31-21. Westbrook's second-quarter punt return produced a 21-7 lead, and Tennessee, which had upset Alabama a week earlier, trailed by at least 10 points the rest of the game. With one second left in the first half, Tennessee's Fred Revicz kicked a field goal of 60 yards, a record for a Southeastern Conference team.

Illinois 29, Wisconsin 28
In Madison, Wisconsin, a 46-yard field goal by Mike Bass on the game's final play gave Illinois a wild 29-28 Big Ten victory over Wisconsin. The Badgers had taken a 28-26 lead with 52 seconds left when quarterback Randy Wright intentionally bounced a lateral to wide receiver Al Toon, who then threw a 40-yard touchdown pass to tight end Jeff Nault. But Wisconsin missed the extra-point kick, and Illinois quarterback Tony Eason, who completed 37 of 51 pass attempts for 479 yards, marched his team 51 yards in five plays to set up the game-winning field goal.

Tennessee's Revicz
A conference-record 60-yarder.

NHL Standings

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Adams Division

Team	W	L	T	GF	GA	Pts
Montreal	5	2	3	26	17	13
Boston	4	2	3	20	19	11
Quebec	4	4	1	45	35	9
Hartford	2	4	5	25	44	4
Buffalo	2	5	1	21	36	5

Patrick Division

Team	W	L	T	GF	GA	Pts
Minnesota	5	1	3	37	25	13
Chicago	5	4	1	37	30	11
St. Louis	5	4	2	32	21	10
Toronto	1	4	5	27	32	3
Detroit	1	6	1	21	38	3

Smith Division

Team	W	L	T	GF	GA	Pts
Los Angeles	4	2	2	31	21	10
Winnipeg	3	4	2	43	45	8
Edmonton	3	4	2	40	45	8
Calgary	2	5	2	30	47	6
Vancouver	1	6	2	28	54	4

Fraser Division

Team	W	L	T	GF	GA	Pts
Winnipeg	5	1	0	40	22	10
Calgary	4	2	1	31	21	9
Edmonton	3	4	1	31	21	7
Winnipeg	2	5	1	27	30	5
Calgary	1	6	1	27	30	3

Golden State

Team	W	L	T	GF	GA	Pts
N.Y. Islanders	5	1	0	40	22	10
Boston	4	2	1	31	21	9
Edmonton	3	4	1	31	21	7
Winnipeg	2	5	1	27	30	5
Calgary	1	6	1	27	30	3

Golden State

Team	W	L	T	GF	GA	Pts
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Winnipeg	2	5	1	27	30	5
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Golden State

Leonard: The Words Are Combative, the Tense Is Future

By Angus Phillips
Washington Post Service

WASHINGTON — Question for Sugar Ray Leonard: With classy lightweight champion Alexis Arguello preparing to fight rough-tough junior-welterweight champ Aaron Pryor on Nov. 12, "Would you fight the winner?"

Replied the undisputed welterweight champion of the world: "Love to."

Leonard has fighting on his mind. Ask him about tactics or training,

